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EFFECTS OF REDUCED INFRASTRUCTURE AND BASE OPERATING SUPPORT INVESTMENTS ON ARMY AND MARINE CORPS READINESS

HEARING

BEFORE THE

SUBCOMMITTEE ON READINESS

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

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EFFECTS OF REDUCED INFRASTRUCTURE AND BASE OPERATING SUPPORT INVESTMENTS ON ARMY AND MARINE CORPS READINESS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
Washington, DC, Thursday, December 3, 2015.

The subcommittee met, pursuant to call, at 8:04 a.m., in room 2118, Rayburn House Office Building, Hon. Robert J. Wittman (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. WITTMAN. I call to order the House Armed Services Subcommittee on Readiness. I am going to wish everybody a good morning and thank our panelists for joining us. Today's hearing is on the "Effects of Reduced Infrastructure and Base Operating Support Investments on Readiness."[1] For this hearing, we will have two separate panels, one with the Army and one with the Marine Corps.

I would like to first welcome our distinguished panels of experts from the Army. This morning, we will have with us Lieutenant General David D. Halverson, USA [U.S. Army], Assistant Chief of Staff for Installation Management; Major General Robert P. White, U.S. Army, Deputy Chief of Staff, G–3, -5, and -7; and Colonel Andrew Cole, U.S. Army, Garrison Commander, Fort Riley, Kansas.

Overall, operational readiness recovery has been the focus of much of the Readiness Subcommittee's information gathering, legislation, and oversight since the drawdown of forces in Iraq and Afghanistan. Over the past decade, the Department of Defense has consistently taken risk in infrastructure investments and reduced mission support services by redirecting funds from installation programs to other operational and training budget priorities.

This risk has been exacerbated by uncertain funding level stemming from repeated continuing resolutions and sequestration. These infrastructure and installation support risks pose a challenge to the recovery of military readiness. The purpose of this hearing is to clarify the Army and Marine Corps' risk choices for infrastructure and installation services, also to address funding priorities and mitigation strategies, and to gather more detail on the

[1] The official title of this hearing was amended to read "Effects of Reduced Infrastructure and Base Operating Support Investments on Army and Marine Corps Readiness."

current and future impact of these decisions on operation and training from a commander's perspective.

As the witnesses testify today, I would ask that you address existing risks in the infrastructure and installation support program and impacts to readiness, and also how the recent 2-year budget reshape will affect those risks and impacts, and what will be the level of risk and impacts over the next 10 years if budget levels remain constant.

I would now like to turn to our ranking member, Madeleine Bordallo, for any remarks that she may have.

STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Ms. BORDALLO. Thank you very much, Mr. Chairman, and thank you for arranging this hearing on our infrastructure and its effect on readiness.

And gentlemen, thank you all for being here today. Often, in Congress, it is the topics that intersect multiple areas of interest or jurisdiction that fall through the cracks, or they struggle to get the attention they deserve. I have personally experienced the challenge of working on several issues that cross the lines of work being performed by the Armed Services Committee and the Natural Resources Committee.

We are lucky that this intersectional topic, that of infrastructure and readiness, happens to fall almost completely within the jurisdiction of this subcommittee. Over the years, this committee has held hearings on the state of our military infrastructure and the impact that budget decisions have had on the Department's [Department of Defense] ability to maintain that infrastructure.

Similarly, this subcommittee has closely examined issues impacting the state of our military's readiness and the devastating impacts that sequestration have had. However, I do believe this is the first time we have held a subcommittee hearing where we look at the intersection and attempt to understand the impact that budget decisions on military infrastructure and installation support are having and will have on training and readiness in the future.

We have heard evidence from several military installations that are indicative of adverse impacts to training and operations due to degraded infrastructure and installation support. So if this is the case, the subcommittee needs to understand what those impacts are and what needs to be done to address the situation.

Already our full spectrum readiness recovery timelines extend beyond 2020, and even that is only with stable funding. Maintenance can only be deferred for so long before consequences have the potential to be catastrophic, and we need to ensure that we don't get to that point by protecting our infrastructure because there is no question that without it, we are incapable of generating readiness.

So, again, Mr. Chairman, I thank you, and I look forward to hearing from our witnesses this morning.

Mr. WITTMAN. Thank you, Madeleine.

General Halverson, we will begin with you. I would ask that you limit your comments to 5 minutes or less. Your written testimony

has been made available to the members and is entered into the official record, so I will now turn the floor to you.

STATEMENT OF LTG DAVID D. HALVERSON, USA, ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT; ACCOMPANIED BY MG ROBERT P. WHITE, USA, DEPUTY CHIEF OF STAFF, G3 (OPERATIONS), U.S. ARMY FORCES COMMAND, AND COL ANDREW COLE, JR., USA, GARRISON COMMANDER, FORT RILEY

General HALVERSON. I thank you, Chairman Wittman and Ranking Member Bordallo, and the distinguished members of the committee for allowing us the opportunity to discuss the effects of this reduced infrastructure and base operating investments on Army readiness. Joining me today, obviously, are General White, the Forces Command operations officer, and you know, Andrew Cole, the garrison commander at Fort Riley, which will give you a good perspective of the one who is in charge of readiness, like Pat [General White], and tracking its readiness and with the impact and where they want to go, to someone who has to execute it at the day-to-day level of trying to provide that support to the commander as they build that readiness, especially for decisive operations.

I also want to thank you for your support in the recently passed Fiscal Year 2016 National Defense [Authorization] Act. We really appreciate your all's work and to make sure that we do have the funds available to make sure that we can and do train our force.

The Army is at a critical point in installation readiness. Budget constraints are affecting the Army's ability to provide facilities that our All-Volunteer Force and their families depend upon to sustain readiness. Our installations truly are our Army's home, and the availability of the quality ranges, maneuver areas, airfields, classrooms are essential to a unit's and the institutional Army's ability to train.

As we say, installations serve as the readiness platforms for our Army and its training. Our Chief of Staff, General Milley, clearly stated that his number one priority in this complex environment is readiness and there is no other number one, so for that reason, it is important and vital that we focus our efforts to provide that realistic training environment so our soldiers have the ability to fight and win.

Over the past year and a half, I have visited many installations throughout the globe and met our men and women that provide that care to our installations and the soldiers and the families that then live on those posts. These men and women operate and maintain the training areas, the airfields, the maintenance, ensure that the sewers, the lights go on, all these type of things that provide that capability to set the environment so therefore our soldiers can have that realistic aspect of what they need to be able to do, to have the overmatch and the capability and the confidence they need to be able to win.

And we are working hard to mitigate, as you said, the reduced funding brought on by the Budget Control Act of 2011 [BCA]. Even with their efforts, the persistent funding constraints and the cumulative rising costs of the personnel, of energy, construction, water,

and engineering services have forced the Army to take risk in installations to maintain a ready force.

The reduced buying power due to these rising costs drove significant personnel and service reductions. The cumulative effect of these reductions impact the throughput of our soldiers and the training and the number of rotations we can support. The direct effect of these reductions in the garrisons being that many of the areas were at the razor's edge of manning to provide those enablers that the units need.

Even with BRAC [Base Realignment and Closure] 2005 improvements in infrastructure and reposturing, the fiscal realities are showing the decline in our facilities, and are affecting our future readiness. As the chairman says, how we are going to be postured for the future and what we need to be doing? You have to invest now. So those long-term challenges are there.

The Army's installations are the power-projection platforms, enabling the readiness and ensuring deployable combat forces, but what we are seeing, as I visited, the personnel tempo and the operational tempo is increasing because of our decreasing number of soldiers that we do have as we go to 490 [thousand] and then to 450 [thousand], and so, therefore, the Army is very concerned about the risk of the installation funding and its effect on the total Army.

I am just very pleased to be able to answer your questions and then hear what the panel—because this is, like you have mentioned, the first time people are starting to understand that your installations and your investments equate to enabling our ability to train our forces that we need now and in the future. So I look forward to the questions that you may have. Thank you.

[The joint prepared statement of General Halverson, General White, and Colonel Cole can be found in the Appendix on page 37.]

Mr. WITTMAN. Thank you, General Halverson. We appreciate the opportunity to get a little further understanding about how installation capacity and the current budget situation affects Army capability, and we appreciate your perspective on that.

As you had spoken of, there are a number of challenges, I think, that all of our service branches face but especially our Army and our Marine Corps. If you can give us a perspective on what categories of facilities and the types of installation services are most important in raising and sustaining levels of Army readiness, and given the consecutive years of funding where funding has been reduced, the things that you have had to do to try to sustain that, where do you believe you need to go to recapture or to recapitalize in these areas?

General HALVERSON. Chairman, that is a great question. I say the biggest things that we have to be able to provide enablers, for General White and his forces and the senior commanders, are our ability to have the ranges available. As we sit there and we have gone through the last 13-plus years of war, what we found out, we were doing a lot of asymmetric things where things were fairly static, where we had FOB [forward operating base] base structures and then, before, we had to be able to train.

As we now have gone to decisive operations, what we found out that we did not have the targetry or the other aspects that we

needed to facilitate our home station training that we need to then optimize our decisive operations that we have at our combat training centers. That is one aspect, so, therefore, we really have to look at our training support systems and our other systems that we have in our ranges to be able to facilitate these requirements that we do.

The same thing is—so, therefore, folks like range control, air traffic control folks, all these types of things are areas that we have to invest. What we found out is that, because of the rotational model, we never had the full force at home stationed at the same time as they are there, so, therefore, the scheduling of ranges, the optimizations. Usually we used to go to a model of a 6-week lock-in. What we are finding now in many of our installations that we have to go a lot further because of the availability of the ranges that we do have.

A place like Fort Huachuca may have only five of the nine ranges available to it because of a manning shortage for our ability, so we have to plan out farther. We have to leverage these things.

The second thing we have to really start investing on from an investment perspective are things like live, virtual, and constructive aspects of how do we optimize time. So we need simulators to be able to facilitate those things so we can integrate those types of things. I think General White can just kind of say what he would need as he sees these mission control aspects and home station training control approaches or capabilities that he needs at his home station. Pat.

General WHITE. Thank you, sir, and Chairman.

So there are four things you need to generate readiness. You need airspace. You need land. You need IT [information technology] infrastructure so you can push through the pipes. And you need personnel—well, really five, and time. We have taken risk as an Army over the past 10 years by pushing our resources into the direct readiness generator, which happens to be OPTEMPO, operations tempo, and taken risk on infrastructure at facilities. I will give you an example, one vignette, to how this has affected this Army taking risk.

So we are programmed to finish a company gunnery on a range in 12 days. That is what is programmed. That is what our strategy says. That is how we are resourced for ammunition, fuel, and time. Because of some of the issues that General Halverson mentioned, it now takes us 14 to 16 days to complete what should be done in 10 to 12 days.

So there is more time spent on the range. That is due to many factors. One is manning of range control personnel, 16 hours, 5 days a week, vice 24 hours, 7 days a week. There is the currency of the targetry. As many of you have visited our installations and our ranges, we have digital multipurpose ranges at some installation. We have what you call multipurpose ranges at other installations, and so that affects our timeline as well because the digital is very complex. Soldiers can't put their hands on it, not allowed to; it is contracted out. And they are contracted for 16/5 [hours/days per week].

A place that has an MPRC [Multi-Purpose Range Complex], you can put soldiers, touch targets, touch target lifters, and help with

the range. So long way around of saying, because of the risk that we take, and we are now starting to see the effects of how much time it takes to generate readiness at our tactical levels, and I am sure we will cover more on the subject of airspace, which is crucial to our readiness as well.

Mr. WITTMAN. Thank you.

Colonel Cole, I want to get your perspective. If you would let us know, how does corporate Army infrastructure and installation support decisions and guidance impact your ability to provide mission support for operations there at Fort Riley?

Colonel COLE. Good morning, Chairman. I appreciate that question. It, in some instances, can be a little bit of a challenge. So, from this perspective, as we talk about ranges, to kind of continue that thread of discussion, one of the things that has impacted us at the local level is a thing called contractor de-scope. So those contract support services that we have out on the ranges that help us maintain and help us operate those ranges have been going through a review on, what should the size of that contract be? And, ultimately, at the end of that string down at the installation level, it challenges us with being able to provide the appropriate support and meet the senior commander's training requirements.

So with this full nest concept, kind of as we have discussed earlier, with more forces home—and you can even add an additional piece to that, which is Reserve and National Guard units that come to an RCTC [Reserve Components Training Center]. So Fort Riley is one of those locations; we have to factor them into what we call our gun line. And so it becomes to put a stress on your ability to fit all the units that are home, to turn that range maintenance so that it is reset for another unit to come in.

So that is just an example of how it can be challenging down at the local level.

Mr. WITTMAN. Very good.

General White, you gave us a good perspective on how the current impacts installation support is affecting readiness. Give us your perspective on how this new 2-year budget window now affects that ability. What does it do to either allow you or not to allow you to regenerate certain elements of readiness through installation infrastructure and support?

General WHITE. Thank you, Mr. Chairman.

The analysis that we have done to this point, based on what we know, is we will decrement our operations tempo because we have taken so much risk in the past 10 years on our infrastructure, so although the Chief's priority is readiness and it is generated through the installation platforms and with operations tempo, it looks as if what we will decide to do in the future if we continue to take decrements is to go after the operations tempo of units, which means less time on ranges, which means it takes longer to generate readiness.

Mr. WITTMAN. Got you. Very good.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

I have a couple of questions here. I think, General Halverson, you or any of the others may be able to answer.

At what level are the connections made between the training requirements of a unit and the ability of an installation to support those training requirements, and how often are they reevaluated? In other words, at what level are the decisions impacting military infrastructure and installation support being coordinated with those in charge of training and operation requirements?

General.

General HALVERSON. Ma'am, that is a great question because it is very complex. Obviously, we have our processes where we sit there and build our requirements of what they need, how many soldiers will be there, what is the availability of the ranges, and all those types of things, so we have a good process from a corporate perspective from us to be able to take those requirements, vet those requirements, and to be able to, like Pat was saying, how do you go then from what is your priorities, and then prioritize these as what we need from a funding perspective.

What we try to do—and it is really a bottom-up—you know, it is a top-down but a bottom-up refinement of it that we try to identify with these requirements because we want the senior commander who is responsible for that organization to have the impact that he needs to do this.

This is where the challenge like with Andrew [COL Cole] has because I have a certain amount of funding level that then impacts my ability to say how much I can do. It is going to be very, very hard for him to then be able to execute it.

So like what Andrew is saying, I have had to be able to take risk because personnel costs are high, are a high cost driver for things, so that is a place that we have to look at: How can you be more efficient or more effective with less people? At times, it becomes a tension point to him when the senior commander then says, I will give him, you know, like he was saying, 16 hours, 5 days a week, but he really needs 16 hours, 7 days a week, for him to execute the extra time he needs.

So we then start going with overtime or other issues that then at the end of the day, when you rebalance yourself, it is all from one pot, and that is what the challenge is from us, from a corporate. So we have a good process of doing that, but we push down that then to him to integrate that at the local level to ensure that he meets the senior commander's objectives.

He then has that perspective of—and then this is where some of the risk comes in, as you well know. That he, because he will need to be able to push money somewhere, will then defer other maintenance he has to do in some of his other infrastructure stuff, which could be barracks for the housing for our soldiers or for his ability to do some restoration or modernization. That is the challenge, I think, Andrew has, and he can probably, you know, articulate that at little bit better at the local level.

Andrew.

Ms. BORDALLO. Colonel.

Colonel COLE. Yes, ma'am. The other challenge that we often face is as budgets are passed down and we receive what our local discretionary authorization is for what we call our sustainment, our restoration and modernization budgets, oftentimes we are having to take risk between where can we accept a greater risk in

doing standard maintenance of facilities versus our restoration and modernization, which we have to use to program to do significant repair of facilities.

So with that being said, over the last number of years, we have received a lesser percentage of what we believe to be our requirements are for facilities maintenance plans. So when you compound that effect, one of the challenges today is, how do we take what we really need 90 percent of our funding for but yet we have only received, for example, 65 percent, where do we accept that 15 percent of risk?

And so we make choices, and we make some decisions, and ultimately, if there is a catastrophic failure, then we have to end up allocating our funding against that. And we don't have the space, we don't have the flexibility to treat our normal maintenance plan.

So, as an example, one of our headquarters buildings was located in a historical facility at Fort Riley. Because of the constraint in funding for maintenance, we weren't able to do some of the preventative checks on that building. Ultimately, we had what we call a glycol hose leak, so the HVAC [heating, ventilating, and air conditioning] system failed over a long weekend.

With that being said, we had, for lack of a better word, coolant leak over about three different floors, which did significant damage to the building. When you go back and try to repair those tiles, you now have pulled back asbestos tiles, so now you have not only run into a repair issue, you have now run into an asbestos abatement issue. So could we, if we had had the appropriate funding to do the sustainment of that building, maybe what could have cost us then thousands of dollars would not now cost us multimillion dollars in repair?

Ms. BORDALLO. Thank you.

And it is certainly a challenge. I have one other question.

How have base operation support programs been impacted by repeated reliance on continuing resolutions rather than an annual appropriation and the attendant lack of predictability in the timing and the amount of allocation of funding? Can you give specific examples of how this impacts training and readiness? General.

General HALVERSON. Ma'am, the bottom line, yes, because with a continuing resolution, you have less buying power for what you need. So the predictability like we have had with at least a budget, we can then make good fiscal decisions on how we can then write our contracts to get more capability for less price.

So when you have the continuing resolutions for month per month or quarter by quarter, it causes us to spend more because of the workforce aspect of it.

The second thing is, also, it is just a strain on the workforce to be able to manage that because now you are having to touch it a few times every year and not being able to have some comfort levels where you are monitoring the contract instead of just sitting there, you know, doing it. So what we are finding from the workforce stress is that there is also workforce stress for them to be able to monitor it.

Ms. BORDALLO. Right.

General HALVERSON. So getting away from continuing resolutions and getting more predictability will greatly affect our readi-

ness because we will be able to buy more capability for less dollars. That is the predictability that we need within the installations.

What happens is that we get caught up into the day-by-day aspect of not knowing the unknown, which then causes chaos, I think, and not being as predictive as we need to. And it gets really down into like what Andrew was saying, is that when you are only doing sustainment at a certain level, which really means you are not doing your oil checks, right, and so, therefore, you are not checking that stuff, you are not putting your eyes on those things to make sure that you are doing it. You are waiting for the life, safety, and health issues that go on.

And in a lot of locations where we are, we just have a challenge with that because, you know, if you don't have HVACs working, you are going to have mold and you are going to have a health issue. And that is where the garrison commanders and their team and their senior commanders are putting forth some of their effort so, but——

Ms. BORDALLO. Well, I can understand——

General HALVERSON [continuing]. And we appreciate that to try to get away from CR [continuing resolutions].

Ms. BORDALLO. Yes, I can understand the challenges.

I yield back, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Bordallo.

Mrs. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman.

Thank you, gentlemen. It is great to see you, and I look forward to getting to visit with you, Colonel, at our sister installation there across the Kansas line, but we in western Missouri certainly appreciate all you do at Fort Riley, and Fort Leonard Wood, certainly very, very important mission there.

I have some general questions about the topic, but I wanted to start more specifically about something that happened at Ford Leonard Wood that deals with installations in general and safety of our soldiers. About 5 days before I was sworn into office in January 2011, you remember, there was a tornado on New Year's Day that went through Fort Leonard Wood and destroyed several homes, as well as part of—impacted some other infrastructure there. I believe the sewer plant, et cetera. And, thankfully, no one was hurt seriously or killed, and it was just the perfect day if you were going to have something that happened, a lot of the soldiers were gone.

But looking back on it, it raised a lot of concerns about safety. The homes didn't have basements. They didn't have places for the families to go. And it went through the—as you remember—a lot of the training grounds. And the thought was, if, on a normal day, there would be thousands of soldiers out there, and there was no place to go in the event of a tornado.

And since that time, I know they have installed some facilities where soldiers can do that. But when you live in Tornado Alley—and I know Colonel Cole probably appreciates this. I am just wondering, because at that time, General Quantock was the commander there, did a wonderful job, and thankfully we had the engineering school there with all the equipment, able to quickly help clean things up and get going.

But I followed this for a while, and I haven't asked the question lately. What are we learning from this, and what lessons have been learned installation-wide to putting facilities in place for soldiers in the event of a tornado? And has there been any changes made to Fort Riley as a result of the tornado or any vulnerabilities that we discovered may be needed to be addressed?

General HALVERSON. Ma'am, good question. I commanded Fort Sill, which is Oklahoma, which is Tornado Alley, too. And one of things that we have done, just like you said, is as we have looked at our housing, how do you exercise and how do you have evacuation places that do have, like you are saying, tornado. We are not at the level that we need to be, you know what I mean, and we are looking at, holistically, at the effects of some of those.

But, once again, the challenge we have is as I look at that and as we are looking very firmly at those, the ability to put those in when you have other driving costs, so it is a fiscal—when you have fiscal constraints, and from a priorities, how do you get these, as you know, safe houses and stuff like that. So within Fort Sill, we did put in some of those and maintain those and then have to make sure that the people are aware.

They are not at the numbers that they need to be because it was not integrated in the original plans, but I think that is one I will take for the record and give you the pure thing from a policy perspective of where we are.

[The information referred to can be found in the Appendix on page 61.]

Mrs. HARTZLER. And, again, I know the housing that was rebuilt, they put a safe room in.

General HALVERSON. Right.

Mrs. HARTZLER. But there is still a lot of housing that is old and maybe doesn't have that, but, you know, I just think that is a practical thing that can happen, and then dealing with installations, we need to make sure that our soldiers are safe, whether it be on the training ground or their families and their housing, so——

General HALVERSON. I agree totally, ma'am.

Mrs. HARTZLER. Sure. Regarding maintenance, another question that comes from home.

Hard to see you. There we go. There you go. Dr. Wenstrup, thank you.

Dealing with maintenance. I have heard from local people both sides of it. Some have argued that we need to be using the Active Duty soldiers more in doing maintenance on the bases, that they have the capabilities. Why aren't they asphalting? Why aren't they doing groundskeeping? Why aren't they doing some of these other basic things that could be carried out? And the argument is that that would be most cost-effective, plus they could use their skills.

Then I have heard from other people to say: Well, we need to contract out more to private entities and that it would be more cost-effective.

So as we are looking at limited dollars here, installation, maintenance cost, what is your matrix to determining if you ask the soldiers to do the work around the base or versus you go private, and which is more cost-effective?

General HALVERSON. That is a good question. The issue here is it is really called borrowed military manpower that we do. So some places, like Forces Command, where you have a large TO&E [Table of Organization and Equipment], you have a lot more capability and flexibility to be able to do that, so things like force protection, gate access and stuff, where it is a skill set that we use when we go to FOBs or if we get deployed, you may have to do it, has a one-to-one correlations.

There are other issues, as you know, from a soldier's perspective, what, you know, is—it is part of life. So you have to have the capability. For a TRADOC [Training and Doctrine Command] post, they have very little capabilities, like what Fort Leonard Wood is, because you basically have your drill sergeants or you have a schoolhouse that then has very minimal capability to have soldiers because they are either in the classroom or they are teaching or instructing young engineers, chemical, and the capabilities you have like at Leonard Wood.

So what we are seeing is that TRADOC posts have very little capability and you have—where we can do it, like a FORSCOM [U.S. Army Forces Command] post, we will have them manage that internally of what they have to provide services for that capability.

From a cost-effectiveness—the model is various things. Much of the things that we are talking about, it could be ground maintenance or whatever, is not cost-effective because what you are doing is you are taking a soldier away from his collective or individual training time, and what we are seeing is that you need repetitions, just like in the weight room, to be an infantryman, to be an engineer, and you need to spend time in your squad or those aspects that you do.

So it is a very, very fine line that commanders have to articulate and balance that readiness equation.

But you know, Pat, you may have something on that, but that is really where the concern is.

Mrs. HARTZLER. Thank you.

Colonel COLE. Ma'am, if I can just add real quick—and I think we do—at the local level, we really do try to do our best, and then giving you an example. For example, for engineering work. So at a FORSCOM installation, where we have a number of differing disciplines, when we come across those projects that may be able to be done by some of our military engineers, we do do the crosswalk.

So in those instances where you can meet both the requirements of the installation and also count that as appropriate training in the military occupational specialty of that soldier, then we do seek those instances out. So there are some engineering projects that we are asking our engineer brigade to do because they have the talent, they have the skills, and it counts for training because they would do that potentially on a mission someplace.

So in those instances where we compare them and line them up, we do attempt to do that and, again, be cost-effective.

Mr. WITTMAN. Very good.

Thank you, Mrs. Hartzler.

Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman.

The 18 percent excess infrastructure that the Army has, what force size is that based on, or is it directly correlated?

General HALVERSON. Congressman, obviously, when we talk about the excess capacity and the things that we talked, 18 percent, that is for a force size of Active Duty of a 490 [thousand] force, in which we are at now, you know, I mean, and obviously, we are going to 450 [thousand] in the near term.

Mr. O'ROURKE. And how elastic are those perimeters? So if we went down to 420 [thousand], does the percentage increase if we went to 550 [thousand]? Does the percentage decrease, or is that 18 percent cover a band of, you know, 50,000, 60,000.

General HALVERSON. Obviously, that is our best guess right now. We have an order out for all of our garrison and our senior commanders to be able to look at their excess capacity, so it is our best estimate. Obviously, you know, we would need more guidance from Congress to be able to look in detail what we think our excess capacity is, but our best——

Mr. O'ROURKE. Are you saying without a BRAC process, you cannot get that detail?

General HALVERSON. Without a BRAC process where we could actually look at what our capacity is for this. The bottom line is that we have the same amount of posts, 155 installations for a force that we had of 460 [thousand] in the Active, now going down to 450 [thousand]. So it is a huge gap that we have, and the challenge we have is that we can't optimize our investments or optimize if we don't have some authority to study like a BRAC and how we can move forward.

Mr. O'ROURKE. Got you. Yeah. And so understanding that a BRAC would give you more detail, where you are now, what is the estimate on what it costs you to maintain that 18 percent?

General HALVERSON. Sir, right now, the rough estimates as we know, it is about $480 million a year that we spend on the excess capacity that we do have because you need to keep those buildings going; you need to have water and all those types of things. So it is about $480 million a year that we have because of excess capacity. Our initial estimates with 450 [thousand] is like 21 percent, so it goes up to almost $470 million of the—$570 million that you need——

Mr. O'ROURKE. So somewhere around half a billion dollars. How much readiness annually would that buy you?

General HALVERSON. That would buy a lot of readiness, and it would also focus our efforts that we would need for investment purposes to get the quality ranges and the manpower and the human capital that we need to ensure the top quality.

Mr. O'ROURKE. Beyond the dollar amount, is there a way to quantify or qualify or illustrate that readiness that we would be able to purchase?

General HALVERSON. We do that——

Mr. O'ROURKE. What are we not doing now that we would be able to do going forward?

General HALVERSON. I could take that for the record, but you are right, we could—obviously, Pat knows, the money he gets in his OMA [Operations and Maintenance, Army] account a year in the multibillions, that $500 is a—you know, is a good chunk of change

that he could buy flying hours; he could buy other issues that he would need to be able to sustain his force.

[The information referred to can be found in the Appendix on page 61.]

Mr. O'ROURKE. Yeah. And it would be, and perhaps this is pending a BRAC process, but I would like to know the band of force size that we would have with that reduction in excess capacity.

For example, you know, given all the threats that we encounter today from, you know, Central Asia to the Middle East to potential future threats in the South China Sea, I think we want to have the ability to ramp up, and I don't think anybody wants to get down to the sequester level of 420 [thousand].

So I just want to make sure that we wouldn't be necessarily cutting anything that would prevent us from increasing force size, but if readiness is the single greatest priority, as you said earlier, and if it is going to determine the success and perhaps even survival of our service members overseas, I want to make sure that we are investing in that sufficiently. And if this is a way to get there, then, you know, I want to find a way to do that.

I do have a follow-up question to one that Ms. Hartzler asked. We were recently in Afghanistan and meeting with one of the commanders at one of the installations there, one of the bases. They essentially talked about transferring responsibilities from service members to contractors as we drew down our force size there and perhaps creating or seeing some efficiencies. You, in answer to her question, mentioned why contractors make sense to allow service members to focus on their responsibilities. Do you see any costs or negative consequences of our reliance on contractors?

General HALVERSON. It is a triad balance between our military, our DA [Department of the Army] civilian, and our contractor. I think that triad is good. If you are overreliant on one of them, you are out of balance, and at times, we are out of balance because you have to be very firm on your contracting approaches that you do have.

So we are at that razor's edge, like I said, for myself personally because when you come down like in forces, we were saying the 490 [thousand] to 450 [thousand], we have done a RAND study here where it is not a one to one. Some people think it is a one to one. You take a soldier out; you can take a DA civilian out to run an installation. Our workload is really over how many square foot of buildings you have, how many square miles that we have to be able to maintain.

So when you have an infrastructure of 155 installations we have, I mean, that infrastructure portfolio is valued over $300 billion, you know what I mean, and really, when you talk about the percentages that we are putting in for sustainment, we are only putting in 1 to 3 percent of those in sustainment for infrastructure we have.

So, from that perspective, that is why we have to optimize all this stuff, and so I appreciate your questioning.

Mr. O'ROURKE. Thank you very much.

Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Mr. O'Rourke.

And there is language in this year's NDAA [National Defense Authorization Act] to direct all the individual service branches to do a capacity analysis, and so that we get a modern one. The other one is just a projection from the 2005 analysis, just projecting it forward. We have asked them to do a detailed analysis so we can truly look at what the capacity is, whether over capacity on a service-branch-by-service-branch basis, so we should have that information for next year. Very good.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Colonel Cole, I am one of the few people that has actually gone to Riley County, Kansas, from time to time voluntarily. I hunt in that Tuttle Creek area from time to time. But one of the stories I have heard out there—and I have been hunting out there for years—is that the Army was forced to put in skylights at a big tank facility because of an energy mandate that Congress had passed down and that when they got the skylights in, the contractor didn't unhook the electric lights. And so there was a tremendous amount of money spent but no reduction in the amount of energy used.

Are you familiar with that story? Can you tell me if that is true or not?

Colonel COLE. Sir, thanks for that question. I am going to ask if I can take it for the record to check that. I am not familiar with that specific story. And while I track our energy, our energy consumption, and where we are at on reducing that, I am not familiar with that one, sir.

[The information referred to can be found in the Appendix on page 62.]

Mr. SCOTT. General, you were shaking your head "yes," that maybe you had heard about that?

General HALVERSON. No, I have not, but, you know, nothing surprises me being in the military 36 years, whatever, so we are really working, you know, sir, on the renewable energies and to be able to get within our perspectives. That is one of the, obviously, the net zero and other issues that we are really trying to work toward——

Mr. SCOTT [continuing]. And we all know this, but if you put skylights in and then you don't unhook any of the fluorescent lights, then there is no net energy savings. There is just a cost of putting the skylights in.

General HALVERSON. I agree totally.

Mr. SCOTT. And that is one of the things that, you know, as I am traveling around, we all get kind of ribbed a little bit about how, you know, the military says they are broke and look how much money they waste on these things, and it is somewhat friendly ribbing, if you will, from friends, but it is also a concern of mine because that money can be—we don't have the money to waste, and certainly I am concerned about the environment and think we should do our part, but we also need to be smart about what—you know, doing something for the sake of saying that we did it——

General HALVERSON. Right.

Mr. SCOTT [continuing]. Is different than doing something and accomplishing something, and I would just——

General HALVERSON. So I think that is really important because that is one of the things we have seen with our energy conservation because you have to really—everyone is involved in energy conservation like you are seeing soldiers in that, so half the campaign is working with, you know, our leaders and stuff to make sure that we are driving down usage and stuff and doing the smart things like you said, and that is why——

Mr. SCOTT. Let me—if I could, and I apologize. I mean no disrespect. I only have 5 minutes. But the other thing I would tell you as somebody from Georgia—and I have a lot of friends who have done work on the bases—Davis-Bacon, the same person that I pay $45 or $50 an hour to someone who is in a business to work on my house or a building or something, when they are working on a military facility, because of Davis-Bacon, the military is being billed twice that. I mean, even the contractors complain about it. Can you speak to that issue? Do we know how much Davis-Bacon is costing us?

General HALVERSON. Sir, I will take that for the record, the aspect of what we do for small business and disadvantaged business and stuff. To let——

[The information referred to can be found in the Appendix on page 61.]

Mr. SCOTT. I am talking about—well, some of them are minority-owned, but some of them aren't.

General HALVERSON. Right. No, I agree. But one of the things I would tell you is that is an area that we are looking at greatly because of what you said. You have to be able to get your best value for the dollar you have in constrained fiscally tough things. So my new operations director I brought into the ACSIM [Assistant Chief of Staff for Installation Management] used to be the contracting commander that we had at Huntsville. His number one issue was to look at our buying power and where we have these cost drivers that really need to be looked at because of the fair value that we do need to gain, yeah.

Mr. SCOTT. Point being, the same contractor is charging the military significantly more for the exact same work because of other laws that are on the books that are forcing—that are changing the cost of the bid, and that is—this has already been mentioned. The military is quick to give us a dollar figure of what the excess capacity is costing us.

If you can give us the dollar figure on what it is costing us, then you absolutely have to be able to tell us where that is coming from. I don't believe that you can calculate it without knowing where it is coming from, and then if you could speak briefly to enhanced-use leases and whether or not you think that is an efficient way for us to spend dollars.

General HALVERSON. Let me take that one for the record, the advanced-use lease and stuff like that, you know, Congressman, okay.

[The information referred to can be found in the Appendix on page 62.]

Mr. SCOTT. That is fine.

General HALVERSON. I appreciate that.

Mr. SCOTT. Thank you.

Mr. WITTMAN. Thank you, Mr. Scott.

We now go to Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

Just to touch on Davis-Bacon, I mean, General, I would assume that you would not want to be responsible for avoiding Davis-Bacon, to try to get around Davis-Bacon, and if you were to use a contractor that did not pay the wages according to Davis-Bacon, you are more likely to use someone who is exploiting undocumented workers, someone who is perhaps participating in wage theft, so there is a reason that Davis-Bacon is there, and that is to protect the workers.

So I want to return to the conversation on readiness levels. To what extent do your reporting for readiness levels reflect the conditions of your facilities? For example, are there data points that you are reporting, metrics that you are reporting that say, you know, my readiness level would be, you know, I would be a green, but I am an amber because I have these particular facilities that I am being forced to maintain?

General HALVERSON. I will give you the macro aspect.

And then, Andrew, you can talk to your own installation.

We have a very detailed what we call installation status report that our commanders then—those have all the metrics we have, be it from the facilities to the range control to airfields and all those things. And we view these aspects of what we do have from there.

So a Q1 and Q2 are good facilities and ones that we have—or the Q3 and the Q4, Q4 being the worst, are the ones that are not. What we have seen is that with BRAC 2005, we had an increase where we were from 19 percent up to 30—60 percent, and now we are seeing a degradation of our readiness because of sustained funding, so we are seeing a dip in our Q [quality] ratings in our facilities because of decreased funding or ability to do the sustainment and the restoration and modernization that we do need in some of the facilities.

But, Andrew, you can probably talk to Fort Riley.

Colonel COLE. Congresswoman, yes, so we have those local challenges. And we do, again, our best because it is—part of it is predictability of where do we anticipate that we need to, based on our ratings that we input into the what we call our Web RPLANS [Real Property Planning and Analysis System], which has then enterprise-level visibility, where do we go and allocate resources against improving something from a Q3, for example, or an F3, facilities code 3 rating, to a 2 or a 1.

But in those instances, when you have a plan and because of constrained resources, something occurs that you have to re-shift or reprogram funds that now inhibits your ability to maybe address that red or that lower rating to get it improved because now you have had to address a life, health, and safety issue.

For example, if, at the childcare centers, you lose an HVAC system, that is where your priority is going to be versus going into that operations facility for that company and improving a COF [Company Operations Facility] or improving another one of your facilities, so it becomes risk acceptance. But we do quarterly report these to our higher headquarters and to the Army at the enterprise level.

Ms. DUCKWORTH. Thank you. And as you are making these shifts and you are moving your resources around, I know we are really focused on Active Duty units right now and Active Duty facilities, but every one of us have National Guard and Reserve units in our districts. How does that affect—you know, how does that cascading priorities affect the ability of our National Guard and Reserve units to access these facilities, and is it affecting their readiness as well?

General HALVERSON. Ma'am, the answer is yes in the aspect that we track the Guard and Reserve facility modernizations and their Q ratings, too, so I work very close with Tim Kadavy and Jeff Talley and stuff, and we look holistically, so that helps us with our parity of how much we give when we do it from the program that I build for the Army and stuff like that.

So you are exactly right, and I am concerned somewhat for those abilities. And so when we lose modernization or we lose restoration and modernization, it affects it because it is cascaded, and actually, it costs you more when you have to push it in from year to year, so that is one of the concerns we have within the Guard and Reserve.

Ms. DUCKWORTH. Do you have any estimate costs, just very briefly, on what it would cost, or is there legislation that would help you to dispose of unused buildings? You know, I worked at the VA [Department of Veterans Affairs] for a while. One of the problems that the VA has is they have all these buildings, legacy buildings, that have asbestos, that the carrying cost is lower than the disposal cost, so they can't dispose the building in the short term, but then they are stuck with these buildings for an infinite amount of time, and do you have any of those estimates? Or is there legislation we can help you with here in Congress that will help you dispose of some of these buildings?

Are you responsible, for example, for paying the mitigation costs—even if you wanted to transfer a building with known asbestos or mold to a civilian entity, you can't do it because you are now responsible for that—is there things that we can do to help you?

General HALVERSON. Ma'am, yes, in the aspect I think we need that support. Right now, in demolition, that is one of the challenges we have with demolition and stuff, part of my R&M [restoration and modernization]. We try to fence demolition as much as we can so we can take down old buildings, but it is just like what Andrew kind of said, when we have seen at Fort Gordon, with the Cyber Center of Excellence and other things, we are getting into a lot of this asbestos that would then drive the cost and the time it takes because of our ability to demo [demolish] or refurbish a building because of the asbestos issue.

It is a reality that we are dealing with from the 1960s now that we are up now with—in today's dollars that we are trying to work through each of these. But we need to get more into the demolition of our capabilities, so that is why we put out an order that we cannot build without taking something down. But right now, with the fiscal constraints, we do not have enough to put into demolition that I need. We still have, as you know, units with World War II woods around our posts that we really need to get rid of.

Ms. DUCKWORTH. Thank you.

I am out of time, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Duckworth.

We now go to Ms. Stefanik.

Ms. STEFANIK. Thank you, Mr. Chairman.

Thank you for your testimony today. I represent Fort Drum, and in March, during a subcommittee hearing on this same topic, I brought up the World War II era buildings that currently house the NCO [non-commissioned officers] academy. And thankfully, in this year's MILCON [military construction], we were able to provide the funding for the modernization efforts which are critical for the installation I represent.

But during that hearing, one of the witnesses mentioned that 24 percent of the Army's infrastructure is currently in poor condition. Can you walk me through the Army's prioritization of the facilities that you choose to update and modernize and how that decision-making process has been affected by the defense sequester?

General HALVERSON. Thank you, ma'am. The issue, as you know, is that the units build projects. They always have 13—we call them 1391s, which is their engineering designs, and they feed that into us, that it becomes a fiscal issue, so they are all racked and stacked ready. Now it is a priority issue of what we want to be able to do.

We have gone from a historical low, as you all know, of military construction, MILCON, that now is—we used to be $4 billion a year. Now we are into the $1 billion a year. With the driving costs, what we are seeing is that we have very, very little flexibility to give to some of these needed things at the local level because of the higher priorities that they need, be it at Cyber Center of Excellence or other issues that we have that are going to build capacity for the whole Army as a whole.

We give the garrison commander and his senior commander the flexibility—they rack and stack—to be able to do, but the things that we have seen is that fiscal constraints that we have had—and we are trying to do life, limb, and safety stuff now—does not give us much flexibility to do that. And it becomes a movement, so we try to be—even sometimes we see the migration of sustainment into restoration and modernization, which then causes us, you know, the effect that what Andrew was saying is that you are not doing your maintenance. Then it becomes a multiyear, multimillion dollar issue. So that is the challenge, but we are committed to give flexibility to the garrison team to be able to provide him to try to take care of it, but what we were finding out was there is just not enough money to do the projects that are needed like, at Fort Drum, as you know, is indoor type stuff because of the snow and all those things for facilities for fitness. They need that just like they need it in Alaska because the ability—in that cold weather, like your record 184 inches, does not give you the flexibility to do physical training you need unless you have the indoor facilities to do it.

Ms. STEFANIK. Absolutely.

My next question. I wanted to expand upon a comment that two of you made during your opening statements regarding the importance of airspace. One of the aspects that makes Fort Drum unique is our airspace. We are near the Adirondack Park in upstate New

York. Can you expand upon why that is so critical for maintenance and modernization?

General HALVERSON. I will have Pat—Pat, do you want to—the bottom line is it is a force projection thing, I mean, for us, to be able to do it. As you well know, I was amazed at what happened at Fort Drum when you just had that big snowstorm, where all the things—and the family members of soldiers were coming back, and the workforce actually cleared the runway so we could land the plane back. It was a 24-hour delay, but what they had to do to clear all that stuff was remarkable.

As you all know, it is not only landing the aircraft but it is also all the work to remove the snow causes wear and deterioration, and if you don't have the sustainment dollars you need to fix the runways and do those things, it causes us great things. We have challenges at Fort Campbell, Kentucky, and we have had to put a lot of restoration and modernization into the airfield at Fort Bragg. But, Pat, if you want to, you know, go on any further.

General WHITE. Thank you, sir.

Ma'am, so if I understood your question right, it is about how does airspace relate to generating readiness. And so there are a couple components to it.

One is the airspace itself, which the military would need to control at times to fly fixed-wing or rotary-wing aircraft through that airspace. There is the infrastructure that allows the airframes to take off and land—the runways, the hangars, and the maintenance facilities that are associated with it. There are also the crews that are involved in manning the towers that allow you to control the airspace and to fix the runways and to provide maintenance for those airframes.

So there are really four components—personnel that are involved, so they have to be available. They have to be available 24/7. In some cases, as with Fort Drum, we don't have them available 24/7. We have them available about 5 days a week, sometimes up to 16 hours a day, which limits when a unit can train, when it can actually take off and fly an aircraft either inside of that airspace or through that airspace.

There is the equipping piece of it. So if we don't have the facilities that are associated with it to get into that airspace to lift engines out of, you know, the top of Black Hawks, to fix a CH–47 [Chinook] so that the mountain troopers at Fort Drum can actually conduct an exercise—airlift, land, and assault.

And then the final piece is the parts and pieces that go into fixing those pieces of equipment, the airframes, whether it is fixed-wing—we need facilities for that. We need to be able to account for them. We need IT infrastructure that allows you to transmit from a local database into the Army database that says, I need this particular part, I need this part in 3 days in order to have this aircraft be able to fly.

And that is probably a really longwinded answer to your question, but that is it.

Ms. STEFANIK. No, that is very helpful. And I think it is one of the unique aspects of Drum as an installation, is the airspace, in terms of how it aids our readiness and training capabilities. So thank you.

Mr. WITTMAN. Thank you, Ms. Stefanik.

We will now go back to Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman. One of the good things, nice things about working on this committee is how bipartisan it is, and you are being very generous to give me a second question.

This question actually goes to Colonel Cole.

And you may not have the answer for this, but it has to do with the intersection between energy savings and attempts to modernize our garrison commands and cybersecurity.

So I, not too long ago, was visiting a business that had won a contract to provide some energy savings in terms of the lights. And I went into this business, into a room, and they were very proud to show me this technology they had where they promptly were able to dim the lights at a major maneuver command headquarters. I won't say which one it is because it is classified. Well, it is not classified, but I don't want folks to know where it is.

But I watched as they dimmed the lights and turned them on and off on a major roadway at a major base of an Army maneuver command in the United States. And I said, ooh, that is great. And they were showing how they were doing the energy cost savings, they were dimming the lights, you know, all of that. And they were very proud of this technology.

And then I asked the question of the gentleman who was operating the computer and said, "Do you have a security clearance?" And he said, "No." And I said, "Is this room secure?" "No." "Who in this business has a security clearance?" Well, the chief engineer has a security clearance, but none of the computer programmers, none of the other people there did.

And I let it go, because they were very proud to show me, and they were saving a lot of money. It was a great business, what they were doing. But I am really deeply concerned that, in attempts to do cost savings or modernize, even if it is not that aspect, but we are linked into the infrastructure grid for major cosmopolitan, major metropolises around this country. And this maneuver command is not out in the middle of nowhere. It is right next to a major, major city in the United States. And I am deeply concerned.

So what are you doing there in terms of your linkages, your tie-in to the civilian infrastructure? And what costs are there associated with providing the protection for your installations so that you are secure from being able to be hacked through the infrastructure network?

Colonel COLE. Ma'am, thank you for that question.

At the local level, what I can say is, from my vantage point at Fort Riley, we have the benefit of receiving energy at a reduced rate. So, from the larger Army's perspective, Fort Riley is not at the top of the priority list for some of these security initiatives.

With that being said, we certainly have our standard access security parts and pieces in place for securing the locations, et cetera. Now, what we are able to do is, as we do find a project that may be of appropriate cost savings, we are able to elevate that to the enterprise level. Because, ultimately, it is well above the installation that has the approval on it. And I will defer you to General Halverson, but we do have the opportunity to elevate that when we

do have a situation where we can save monies because of those types of initiatives.

So, sir.

General HALVERSON. Ma'am, great point. And we are, from a critical infrastructure perspective, working very closely with our, you know, energy partners to be able to ensure that we do have mission assurance, just like you were saying, because of the abilities for outside folks in the cyber world to be able to affect this. So we are working very closely in those meetings.

What you will see now with our energy managers that we have at each one of our installations, they almost become, you know, very much cyber folks, because you need to know the electronics of all this kind of stuff. So it is not just the easy things like turning on the lights and everything; it is getting very sophisticated.

But we are working. As a matter of fact, we have met with DARPA [Defense Advanced Research Projects Agency] and stuff, and there are some testings that we are going to be doing to make sure that we are more protected.

The things that we can control is that we are trying to put power stations on our installations for their own security so we have uninterrupted power. Because mission assurance, from a force projection perspective, which is readiness, we have to do that. Because if we have a catastrophic thing in the United States, we need to be able to be mission assured to project power or to sustain that capability that we need, working with the communities.

But I appreciate that question.

Ms. DUCKWORTH. In my remaining 12 seconds, I would like to ask if you could get back to us with perhaps a cost estimate of what you think the escalating costs are going to be into the future, as now, you know, cyber is suddenly part of your operating costs, and it would be nice to know what you need.

General HALVERSON. Yes, ma'am. Thank you.

[The information referred to can be found in the Appendix on page 62.]

Ms. DUCKWORTH. Okay.

Mr. WITTMAN. Very good. Thank you, Ms. Duckworth.

And I would like to thank General Halverson, General White, and Colonel Cole. Thank you so much for joining us today.

And we are going to take a few moments to switch panels and ask our Marine Corps contingent to come up. So we will do that and begin the next panel in just a few minutes.

Thank you.

General HALVERSON. Thank you for your time, sir.

Mr. WITTMAN. Ladies and gentlemen, from our Marine Corps today, we have with us Major General Charles L. Hudson, U.S. Marine Corps, Commander, Marine Corps Installation Command, and Assistant Deputy Commandant, Installations and Logistics Department. We also have with us Major General Brian D. Beaudreault, U.S. Marine Corps, Commanding General, 2nd Marine Division; and Colonel Chris Pappas, U.S. Marine Corps, Commander, Marine Corps Air Station Cherry Point, which we recently had an opportunity to visit.

And, General Hudson, I understand you would like to make an opening statement, and we would ask that you do that within the

5-minute realm. And I want you to know that all the panel members have a copy of your remarks, and your remarks are going to be entered into the record.

So, General Hudson, to you.

STATEMENT OF MAJGEN CHARLES L. HUDSON, USMC, COMMANDER, MARINE CORPS INSTALLATIONS COMMAND, ASSISTANT DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS; ACCOMPANIED BY MAJGEN BRIAN D. BEAUDREAULT, USMC, COMMANDING GENERAL, 2ND MARINE DIVISION, AND COL CHRIS PAPPAS, JR., USMC, COMMANDING OFFICER, MARINE CORPS AIR STATION CHERRY POINT

General HUDSON. Mr. Chairman, Ranking Member Bordallo, and other distinguished members of the committee, on behalf of the Commandant, General Neller, and the thousands of marines, sailors, our dedicated civilian workforce, and our family members, thank you for your continued support to the defense of our Nation and to the United States Marine Corps.

As you have indicated, sir, I have General Brian Beaudreault with me this morning, Colonel Chris Pappas. And, although not sitting at this panel, sir, I would like to introduce my sergeant major, my senior enlisted leader, Sergeant Major Tony Cruz is with us here today, as well, sir.

The Marine Corps is the Nation's expeditionary force in readiness. To that end, Marines serve forward to shape events, manage instability, project influence, respond to crises, and, when necessary, serve as the Nation's initial response force. Our role as America's 911 force informs how we man, train, and equip our force. It also drives how we prioritize and allocate the resources provided by Congress.

Within the Marine Corps, we look at readiness through five pillars: high-quality people, unit readiness, the capacity to meet combatant commanders' requirements, infrastructure sustainment, and equipment modernization. These pillars represent the operational and foundation components of readiness across the Marine Corps.

Marine Corps bases and air stations provide a platform from which to deploy and, in the case of several of our installations in the Pacific, directly employ for either combat operations or humanitarian assistance disaster relief operations. These bases and air stations also serve as platforms from which marines conduct realistic and relevant training that is necessary for them to accomplish assigned missions and then return home safely to their families. And, finally, our bases and air stations provide a critical support system to our families when those marines and our sailors are deployed forward.

General Dunford, as the Commandant, has previously testified that the Marine Corps' first priority is to reinforce the near-term readiness capabilities needed by our marines who are currently deployed or about to deploy. To accomplish that priority, the Marine Corps will accept risk in our infrastructure accounts.

Hard decisions, difficult decisions will be required to be made. We will be required to prioritize the maintenance of nearly 15,000 buildings, range complexes, barracks, and airfields to ensure near-

term readiness. Robust investments to repair, replace, or consolidate poor facilities will need to be deferred.

Long-term underfunding of facilities and sustainment requirements will result in a gradual degradation of our infrastructure and create a bow wave of increased long-term costs to return these assets to proper conditions.

With an eye on the future and the support of Congress, we have been able to expand the physical size of our largest and most capable training range at Twentynine Palms, California. This expansion will allow the Marine Corps to exercise a three-maneuver battalion, Marine expeditionary brigade, and a live-fire training environment.

Also, with your support, we are presently expanding the Townsend Bombing Range in Georgia, giving us the ability to train with precision-guided munitions here on the East Coast, which is of extreme importance as we field the F–35.

However, in recognition of the currently constrained fiscal climate, the Marine Corps has been required to sacrifice further range modernization for the sustainment and recapitalization of existing capacities and capabilities. This means that we are unable to adequately address the required training enhancements associated with new and emerging operational requirements.

Your marines are the Nation's expeditionary force in readiness. We focus our resources on maintaining the readiness of our forward-deployed marines and those about to deploy. Although our investment in future modernization and our infrastructure are less than what we believe is required, we will remain diligent stewards of the assets provided to us.

Thank you for your time and the opportunity to speak on behalf of the marines and sailors and our family members and civilian employees. I look forward to your questions.

[The joint prepared statement of General Hudson, General Beaudreault, and Colonel Pappas can be found in the Appendix on page 48.]

Mr. WITTMAN. Very good. General Hudson, thank you so much. Thanks for that great overview, and we appreciate deeply what the Marine Corps does for our Nation, for what your marines do in accomplishing the mission in the Marine Corps.

In looking at the total scope of what we are dealing with in the past several years, you have seen consecutive-year reductions in funding that is below the targeted infrastructure investment goals and also reductions to your base operations support accounts.

In that realm, how have you prioritized funding in terms of your facility investments and services supported within the Marine Corps? And then what categories within the facilities—categories or the elements within that and the types of installation services are most important to the Marine Corps?

So kind of give us your prioritization, give us the realm of what you have had to do to make those priority decisions within the scenario we have seen in the last couple years in reduction of dollars to go to those areas.

General HUDSON. Sir, clearly, in order to maintain the readiness required to meet our day-to-day commitments, we have accepted risk in our infrastructure accounts, sustainment accounts, and the

like. And, clearly, it is something that we will need to address in the future.

Currently, our institution's focus is on supporting the focus to the Pacific initiative and actions related to our aviation campaign plan actions, introduction of new weapons platforms, the F–35, and MV–22 capabilities around the globe. So, within our military construction budgets, those are our main efforts.

Within our sustainment accounts, we have had to defer many, many requirements, many capabilities, either within FSRM [Facilities, Sustainment, Restoration, and Modernization] or within MILCON. But the primary focus, of course, is to prepare for our forces to deploy, now or tomorrow, and we made an institutional decision to first defer sustainment requirements till later on.

Of course, that will result in a gradual degradation of our capability, and, over the long term, that will cause the costs to increase dramatically. We expect that, as this goes to the right, as the requirements continue to push to the right, as I said in my statement, we will see a bow wave. And, within our sustainment dollars, we are projecting within about the next 5 years, we are projecting about a $1 billion bow wave of requirements that we are not able to meet today——

Mr. WITTMAN. Yeah.

General HUDSON [continuing]. Based upon pressure on the top line or reduced funding levels writ large.

Mr. WITTMAN. Very good. Thank you, General Hudson.

Colonel Pappas, give us your perspective on how corporate Marine Corps infrastructure and installation support decisions and the guidance affect your ability to provide mission support for operations and training there at the Marine Corps Air Station Cherry Point.

Colonel PAPPAS. Thank you, Chairman. That is a phenomenal question here.

We right now focus our efforts, as an air station commander, on the air station itself, the airfield itself, on air traffic control facilities, on our range facilities, to make sure that we provide a capability for all of our operating forces.

The challenge that we face is, when you look at an air station like Cherry Point that has been around since 1942, I still have facilities around from when the airfield opened in 1942, coming close to 75 years old at this point. And so, when we look in terms of across the airfield, there is a great number of facilities that are getting old and are in need of repair that don't meet the cut line currently for both modernization and for recapitalization across current military construction. And so we live with those types of facilities.

And those are just the challenges that we have to face as the Marine Corps looks to prioritize its very scarce resources.

Mr. WITTMAN. Thank you.

General Beaudreault, there are obviously risks that are associated with infrastructure and installation support reductions, and, obviously, there are impacts. Give us your perspective on how those impacts affect your ability to maintain full-spectrum readiness across your different units. And how does the recent 2-year budget deal affect that? Give us that perspective.

And then if you would also look out 10 years into the future, assuming that under the best-case scenario we would be level-funded past the end of this 2-year budget deal, which averages the defense budget at about $610 billion, give us your projection there.

And also a scenario where, if at the end of this 2 years we drop back to a sequester mode, if you would kind of give me your perspective there about what you see with that and what happens with your infrastructure and installation support dollars as they have occurred recently and where that is with full-spectrum readiness.

General BEAUDREAULT. Thank you, Chairman.

I can address that question, sir, from really two standpoints—first, training readiness to meet our three standing global deployment requirements, as General Hudson referred to.

Our number-one priority is to meet the demands of the forward-deployed forces. I have three requirements I need to meet each and every day. And that is to send marines, trained and ready, to Okinawa on unit deployment; our special purpose Marine air-ground task force [MAGTF] that is in Morón, Spain, and throughout Europe; and, thirdly, our Marine expeditionary units [MEUs]. We provide the battalion landing teams for those forward-deployed MEUs.

I also have two domestic requirements that we stand each and every day. We have a CONUS [contiguous United States]-based alert force, and I also have forces on stand-by intermittently between the West Coast and the East Coast, shares the responsibility of having forces ready to go in the SOUTHCOM [Southern Command] AOR [area of responsibility] if we need to forward-deploy from here.

So we can't accept risk in meeting any of our combatant commander requirements. We have to go out ready to fight and operate across the full range of military operations. Pressure on the top line for that budget impacts our ability to train locally at Camp Lejeune, so that requires me to often go off installation, places like Twentynine Palms, places likes Fort Stewart, Fort Bragg, [Fort] A.P. Hill, Fort Pickett, where I can ensure that the force that I am deploying forward can meet every one of its demands.

So we have an area for range maintenance, much like General Halverson and General White talked about. We need to maintain the targetry. We need to keep the ranges, the berms, the roads, the firebreaks. There is a cost to do business just for the ranges as they exist. There is pressure on modernization of current ranges to instrument those ranges, if need be.

And then there is the future of range development, things that don't exist today that we need—live-fire combat towns. We have shooting houses, but we don't have a town where we can put a large-scale unit in and prepare to fight in places like we have done in the past in Fallujah and others. We recognize the urbanization that is occurring in the future operating environment, and we need to have the money in place to build a facility that allows us to get after that challenge locally. We can do it on the West Coast. They have done some out at Twentynine Palms, and we thank you for the money that allowed us to do that.

Secondly, the way that I can look at it is the quality-of-life and retention issues that go with barracks that become dilapidated over time.

I have 68 barracks in the 2nd Marine Division that my marines live in, 28 of which have been renovated or were newly constructed. And, again, thank you for the new construction on that.

Forty of those remain. Under the current funding line, it will take until 2034 to renovate the remainder of those barracks. Any further pressure on the top line and any delay to that just continues to deteriorate and gets to the end result that General Hudson talked about

Mr. WITTMAN. Thank you, General.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

I would like to also welcome General Hudson, General Beaudreault, and Colonel Pappas.

Before I begin my questions, I just have to take this opportunity to say that Guam is anxiously awaiting the arrival of the marines from Okinawa. And, as the people of Guam say, you liberated us during World War II, so this will be a homecoming.

So, Mr. Chairman, I have a couple of questions here.

First, in your written testimony, you noted that, due to the BCA, you have, and I quote, "had to make some difficult decisions to defer modernizing some of our training facilities to ensure that we could sustain the capabilities we have already fielded," unquote.

Now, can you please describe some of those, and I quote again, "difficult decisions" and what impacts they have or have had on training and readiness?

I guess General Hudson.

General HUDSON. Ma'am, if I may start on that, and then I can certainly turn to Colonel Pappas to talk about aviation range capabilities, aviation training venues, and General Beaudreault, as well, on ground side, as well.

But, again, clearly, based upon the requirements that we have to prepare trained, combat-ready marines to deploy at a moment's notice, the requirement for training venues, not just ranges but venues, to include simulation centers and emerging combat trainers, emerging infantry trainers, is a valid requirement to ensure those marines are prepared to go into harm's way.

Oftentimes, when you talk about the repair of those type facilities versus a barracks—and I just visited one of General Beaudreault's barracks about a month ago down at Camp Lejeune, North Carolina—that there is no way I would put my son or daughter to live into a barracks in that condition. As a matter of fact, that battalion commander made the decision that he wasn't going to put any of his marines in there.

So it is a balance of competing requirements. It is a balance between ensuring that the marine who is going to get on a ship or get on an aircraft to deploy forward into harm's way is ready to go or to ensure that they have an adequate facility to live in or to work out of or, for that matter, an adequate chow hall that is sufficient to meet their daily requirements.

So it is, again, very, very competing requirements, and so those are the difficult decisions. It is the right balance about combat-

readiness versus some of those life support, life, health, and safety-type issues and challenges and requirements that we need to meet just in order to set the foundational conditions for them to go train and be prepared to deploy.

Ms. BORDALLO. I understand.

Are there any further comments?

I have another question. I asked this of the Army, but I would like to hear your reply on this, as well.

At what level are the connections between the training requirements of a unit and the ability of an installation to support those training requirements? And how often are they reevaluated? In other words, at what level are the decisions impacting military infrastructure and installation support being coordinated with those in charge of training and operational requirements?

Whoever would like——

General HUDSON. Ma'am, if I may, I will start with that.

Clearly, we report readiness across all units within the Marine Corps, regardless of what unit. And so my installations support their readiness based upon mission-essential tasks that they have to execute, whether it is an actual Marine Corps base, a ground base, or whether it is a Marine Corps air station who is being required to support aviation operations.

And so, on a quarterly basis, those commanders inform me, my commanders inform me via our readiness reporting system of their red, green, or yellow capability to support the members of the Marine expeditionary forces [MEF] they are supporting. And we are in a supporting relationship with our MEF commanders, with our division commanders, with our Marine air-ground commanders. And so, on a quarterly basis, through the formal readiness reporting system, we are able to determine how well we are supporting them.

I had the opportunity to spend 2 years at Marine Corps Installations Pacific in Okinawa, headquartered in Okinawa, had the opportunity to span installations from Hawaii west. And so, very frequently, I would sit down with my supportive MEF commander, saying, "Sir, here is what my commanders are telling me that they are able to do for your marines, for your commanders. Does that synchronize with what you are seeing, with what you are hearing?"

And then, based upon that, then you are able to allocate resources, either manpower or fiscal, to weight the main effort at that particular point in time.

Ms. BORDALLO. Thank you.

Anybody else who would like to comment?

Yes, General.

General BEAUDREAULT. Ma'am, the only thing I would add to that is that, in October, unbeknownst that this hearing would occur, I sat down with my commanders, and we looked at our training gaps, what are the major training gaps that we have in the 2nd Marine Division. And the number-one thing that came out had to do with range modernization, range development.

So Marine Corps Installations East Brigadier General Tom Weidley and I sat down shortly thereafter and were trying to work out a plan of how we can get there, understanding the gaps we have, the resources available in getting those hard choices on the

table for General Neller to have to make on how we allocate that dwindling amount of money.

Ms. BORDALLO. Thank you.

And Colonel.

Colonel PAPPAS. Thank you, Congresswoman.

I am fortunate enough that I am actually collocated with my major support command in the same facility. So we have a very close relationship and understanding of what the mission priorities and training priorities are on a regular basis.

Across the Marine Corps and aviation, we have training and readiness manuals that dictate what our standards are. And we report against those—an operational commander report on a monthly basis. And I understand where their concerns are from frequent meetings. We report on a quarterly basis, as General Hudson mentioned.

And what I would like to comment on is that most of this is on a very near-term focus for current readiness. One of our challenges now in regard to range modernization in our airspace is new platforms bring a great deal of new capabilities. And, quite frankly, they are stressing our capability of our ranges to meet those requirements.

For example, with the MV–22, we now fly twice as far and twice as fast as the legacy helicopters. The Joint Strike Fighter is going to have new weapons systems that are going to dwarf the capabilities—that currently dwarf the capabilities of legacy aircraft today. And they are putting a great deal of pressure upon our range space that were perfectly acceptable in legacy airframes, and how we are going to deal with that in the future.

So that is a bigger challenge that I think we are going to have to look at to meet future training challenges.

Ms. BORDALLO. Thank you very much, Colonel.

And thank you. I yield back, Mr. Chairman. Thank you for giving me extra time.

Mr. WITTMAN. Absolutely. Absolutely, Ms. Bordallo.

I do have one final question, and I will direct it to all of our panel members.

A couple of things. We have seen, leading up to where we are today, a sequence of continuing resolutions. And, obviously, as you all are doing infrastructure planning, trying to set a course to meet those needs, I want to get your perspective on how continuing resolutions affect your ability to get to where you need to be.

And then, secondly, on your plan to restore full-spectrum readiness, how will the Bipartisan Budget Act of 2015 affect that? And we all know that our service branches are all faced with getting full-spectrum readiness back, unfortunately, a number of years in the future. Will the Marine Corps' plan be able to stay on track with the current budget deal that has been reached for the next 2 years?

So I will open it up for any of you all to give me your perspective.

General HUDSON. Mr. Chairman, if I may, I will start, and I will start with a response relative to the continuing resolutions.

Clearly, the instability and the unpredictability of a budget causes challenges across the board. And it is not only challenges relative to the execution of military construction projects—no new

starts—or the ability to execute the sustainment and restoration and modernization programs.

We have gone to great lengths over the last 3 years inside the Marine Corps, working with Naval Facilities Engineering Command, to shift what has historically been most of our projects in the fourth quarter to where there is the 25 percent in the first quarter, 50 percent in the second quarter, 25 percent in the third quarter, where we have them designed and ready to execute. The challenge, of course, is that, based upon when the receipt of funds occurs, it could be at any time during the course of the fiscal year.

So, both from a design work—although designs are primarily done—from an execution perspective, it makes it extremely difficult for the Naval Facilities Engineering Command to actually execute the contracts to actually, you know, start horizontal/vertical construction. So that is a challenge, as well.

Not to mention the fact of the uncertainty on our workforce. And it is not just marines in uniform. It is our civilian employees, and it is our contracted workforce, as well, because we have contracting capabilities. Many of them work in chow halls or dining facilities day in and day out. But it is also the family members, as well. Extremely concerned about what is going to happen. If you are a civilian employee, am I going to have to go home? Am I not going to get a paycheck? And, to a lesser extent, to the Active Component uniformed personnel, as well.

So, as you take a look at infrastructure development, master plan development, and as you take a concerted effort to plan the future of a base or an air station, it takes a couple years to get the master plan right. And so you have the vision for what you want to occur, and you have an associated timeline with that, a campaign plan to actually execute the vision. A hiccup in the stability of the receipt of funds causes challenges and obviously defers the program, as well.

Mr. WITTMAN. Very good.

Gentlemen, any other perspectives on how CRs affect you?

Colonel Pappas.

Colonel PAPPAS. Thank you, Chairman. I would offer another piece, is that one thing it does for us also, it buys us lost time. So even if I get the money later on in the year, what I have lost is the time to execute my mission, and I can't get the time back. And that is one of the biggest concerns that I have as an installation commander.

For me, for having a base master plan, it requires both the plan, it requires sustainable funding. It also requires the people and the trained workforce to be able to execute it. And with the top-line budget pressures, all of those have been challenged. When we don't gain the military construction funds, it further pressurizes our modernization and sustainment accounts. If we don't get those, then it also, for me personally, impacts my local repair accounts.

And just as an example, Mr. Chairman, over the past 2 years, due to our budget pressures, we now have a 4-year backlog on routine maintenance. None of this is life-and-limb, it is all very mundane stuff, but it just gives you the challenge of what the workforce is going through on a weekly basis to prioritize very routine maintenance actions that we are deferring.

And to echo some of the comments from the Army earlier, what it is going to do is it basically makes me, instead of being proactive and having a solid plan, it makes me very much reactive in terms of how I am doing my job on a day-to-day basis.

Mr. WITTMAN. Very good. Thank you.

General Hudson, let me just get you to elaborate on the Bipartisan Budget Agreement of 2015. Will that allow the Marine Corps to stay on track with restoring full-spectrum readiness?

I know all the service branches have a plan as to how they will restore that. Obviously, more years out in the future than we would like to have. But will the Marine Corps be able to stay on track or even move things to the left in that timeframe with this new budget agreement that gives you certainty, at least over the next couple of years?

General HUDSON. Mr. Chairman, it will certainly assist with the stability of our infrastructure capabilities. And, as previously indicated, of course, the focus of readiness is to ensure our marines are able to get out, and rightly so. And so our infrastructure accounts have kind of taken a backseat to that. But we have a solid game plan to execute the requirements as funds are available.

And so the challenge, of course, up to this point, is we have had to continue to push projects, both military construction and sustainment requirements, continually to the right. But we have those teed up, ready to go. In most situations, the designs for projects are ready, they are on the shelf. So it is a matter of, when the funds are received, we can take them off and we can execute them.

So, certainly, it will go a long ways towards alleviating some of the pressures that we see both at the enterprise level, at the institutional level, but also at the local level, as well.

Mr. WITTMAN. Very good. Thank you.

Any other comments, gentlemen?

General Beaudreault.

General BEAUDREAULT. Sir, down at the division level, it is really second- and third-order impacts of decisions that are made by Programs and Resources and the Commandant and others.

But I will say that our near-term readiness, I remain optimistic that we will be adequately funded to generate T–1 forces going forward in support of the combatant commander requirements.[2]

What we see are maybe some indirect effects when there is a cutback to installations and I have to send, say, 147 marines to augment the base MPs [military police] that aren't out training with the rifle companies getting ready to go forward.

Mr. WITTMAN. Got you.

General BEAUDREAULT. Again, like General Halverson mentioned, less simulator time because of contractor cutbacks. And now we are not 24/7 on our simulation systems.

So those are kind of the second-order effects we see, but——

Mr. WITTMAN. Sure.

General BEAUDREAULT [continuing]. Near-term readiness, I feel confident we will continue to generate what the Nation needs.

[2] T–1 refers to the SORTS [Status of Resources and Training System] value meaning fully trained for mission requirements.

Mr. WITTMAN. Very good.

Well, gentlemen, thank you.

Ms. Bordallo, any other question?

Ms. BORDALLO. I have nothing.

Mr. WITTMAN. All right. Very good.

Well, gentlemen, thanks so much for joining us today. Thanks for your perspective on what we need to do to continue to help you to restore readiness and make sure that our installation support and infrastructure is on track to where it needs to be.

We appreciate the great job that you do with the dollars that we give you. We know the Marines are very austere in many different ways and take a dollar and stretch it to the maximum extent possible. But, as General Amos once said, he said, "We are at a point where we are going to do less with less." And we don't want to put you in that particular position. You all have done a great job in doing more with less, but I do think, with what we have asked you to do and extend things out, we don't want to be in a position where you can't do the things that you need to do for our marines.

So, again, thank you all for your service. Please give our best to our marines that are there in your units and forward-deployed. Thank them for the great job that they do for our Nation. And we look forward to seeing them as we all get around to visit those Marine Corps facilities across CONUS and OCONUS [outside the contiguous United States] too. So thanks again.

And we are adjourned.

[Whereupon, at 9:34 a.m., the subcommittee was adjourned.]

A P P E N D I X

DECEMBER 3, 2015

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

DECEMBER 3, 2015

RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL DAVID D. HALVERSON
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT

AND

MAJOR GENERAL ROBERT P. WHITE
DEPUTY CHIEF OF STAFF, G-3/5/7, U.S. ARMY FORCES COMMAND

AND

COLONEL ANDREW COLE, JR.
GARRISON COMMANDER, FORT RILEY, KANSAS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

FIRST SESSION, 114TH CONGRESS

EFFECTS OF REDUCED INFRASTRUCTURE AND BASE OPERATING SUPPORT INVESTMENTS ON READINESS

DECEMBER 3, 2015

NOT FOR PUBLICATION UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

INTRODUCTION

Chairman Wittman, Ranking Member Bordallo, distinguished Members of the Subcommittee, on behalf of our Acting Secretary, the Honorable Eric Fanning, and our Chief of Staff, General Mark Milley, thank you for the opportunity to testify about the impacts of sequestration and the Budget Control Act (BCA) on Army installations' support to training and readiness of operational forces.

Army Installations provide the power projection platforms and sustainable training centers that we rely on to meet all threats overseas and on American soil. Installations are a key enabler in General Milley's priorities: Readiness, Future Army, and Taking Care of the Troops and their Families. The recently enacted Bipartisan Budget Act of 2015 provided the funding levels to help achieve these priorities. However, the previous BCA funding levels have slowed the maintenance and nearly halted modernization of these platforms and centers. This directly impacts the Army's ability to provide functional facilities that are adequately manned to support training cycles for rotational forces and essential operational capabilities such as Home Station Mission Command. Further, the BCA funding levels challenge the Army in providing adequate resources against emerging threats such as cyber security, insider threat and network modernization.

TRAINING AND READINESS

There are two immutable components to producing trained and ready forces: fiscal resources and time. If fiscal resources are insufficient to maximize time available for training, then that training opportunity is lost forever. And, unfortunately, readiness cannot be bought back quickly in a time of crisis. The Nation needs a quality Army that is trained, manned, equipped, and ready to accomplish its missions. Training an Army is expensive because we need practice and experience at home station and combat training centers to ensure we send Soldiers into combat ready, well led, and fully equipped. This readiness comes from hard, realistic training. Our commanders in the field are steadfast in their belief that given today's turbulent environment, we likely will not know when the call will come, or what mission our Nation will give us. Restoring the Total Army's readiness requires adequate installation funding so that field commanders

can maximize available time to train, build and sustain readiness at home station. Our Army functions best with adequate funding so that it can maximize time to train, man, and equip units.

The installation is the platform that produces combat ready forces. The availability of quality ranges, maneuver areas, airfields, and classrooms are essential to a unit's and our institutional Army's ability to train. The Army, however, has taken risk in funding for installations over the past several budget cycles in order to find the right balance of necessary funding for operational force readiness within the confines of a lower level of overall resourcing. Reduced funding and reductions in installation personnel adversely impacted training and mission support across the installation management enterprise. Not limited to Soldiers training on the ground, lack of funding also affects aviation support missions and the ability for manned and unmanned aircrews to train safely in Army airspace. Continued constraints on installation funding reduce the frequency and quality of individual and unit training.

The ability to quickly deploy our forces relies on our airfields, rail facilities, and infrastructure. Deferred maintenance of these heavily used facilities and supporting infrastructure will eventually result in failure. Overall, reduced funding negatively impacts the number of trained and ready Soldiers prepared for combat and able to deploy.

INSTALLATION INFRASTRUCTURE

With prior years' robust funding, and a balanced Military Construction (MILCON), Sustainment, Restoration and Modernization (SRM), and demolition investment strategy, the Army improved overall condition of its facilities from 31% being fully adequate in 2000 to 69% in 2015. This trend is now slowly reversing due to constrained funding for SRM. Taking risk in SRM funding means facilities will cost more to fix later than to sustain now. Moreover, the Army estimates the service has 18% excess capacity or 160 million square feet of underutilized facilities world-wide. This excess facility capacity burdens the Army sustainment and base operations (i.e. utilities) accounts that could be invested elsewhere. Absent a new Base Realignment and Closure (BRAC) round, we have a strategy to reduce some of our excess capacity by

consolidating into our best facilities within our installations and eliminating our failed or failing infrastructure. So far, we have identified 47 million square feet of potentially excess that can be eliminated by FY 2022. However, without a reduction in the number of installations, maintaining excess capacity will overshadow our gained program efficiencies. As we return to garrisons from 14 years at war we have identified gaps, including modernization of buildings for mission command and maintenance facilities for modernized equipment.

Reduced infrastructure maintenance affects more than just buildings. Utilities, communications and transportation networks are also critical readiness enablers. Deferring utilities systems upgrades reduces our energy assurance and efficiency. Providing basic necessities, like water, proves challenging through aging government owned distribution systems. Without adequate investment in our communications infrastructure risks to cyber-attack increase. This infrastructure is the backbone of our installations. Army effectively leveraged public-private partnerships to enable infrastructure improvements but vulnerabilities remain. The MILCON program is at historic lows and the Army continues to focus limited resources on supporting readiness initiatives. MILCON has been reduced by 75% from FY15 pre-BCA projections[1], significantly hindering the Army's ability to respond to new requirements and adapt to new missions.

INSTALLATION SERVICES

Continued BCA spending caps will drive further reductions in installation services. The Army's strategy is to protect our Family programs and those directly enabling life, health, and safety. Ensuring the resiliency and safety of our Soldiers and Families is the priority of these programs. We must faithfully maintain our commitment to our Soldiers and their Families.

However, the Army continues to be challenged meeting other service requirements with scarce resources. Funding our broad and diverse service functions and mission support requirements creates challenges to provide a sustainable base for training and quality of life for our Soldiers. These functions range from the full array of

[1] Pre-BCA projections are from the FY 2012 FYDP, developed prior to the enactment of the BCA.

municipal services to include feeding our Soldiers in dining facilities, providing logistical services, to operating base libraries for Families, as examples. As Base Operations & Support (BOS) funding remains steady, a significant compounding factor is the increasing costs in such areas as personnel, energy, and environmental compliance (due to aging infrastructure). Reduced buying power further degrades installation services and directly impacts readiness. If BOS funding levels don't increase, the Army will eventually have to reduce the availability of or eliminate some programs. These programs are an investment in the Army's most valuable asset, our people. We remain committed to providing them with a quality of life commensurate with their service as well as being good stewards of taxpayer dollars.

NEW REQUIREMENTS

In order for the Army to dominate the battlefield it must keep pace with technology and ahead of emerging threats. Adapting to and integrating the latest technology and methods to ensure the Army is ready to execute its mission both at home and on our installations abroad is a vital investment the Army must afford. BCA caps threaten our ability to do that.

Installations are addressing increasing requirements linked to insider threat, cyber security, and enhanced force protection. These threats require new investments in processes, facilities, and infrastructure in order to maintain readiness and execute our mission while protecting our Soldiers and their Families.

To combat the growing cyber threat, the Army established the Army Cyber Command and the Cyber Center of Excellence. This new capability required a holistic approach to develop cyber maneuver space. The immediate need for Army Cyber Command facilities required the Army to defer other projects, which compounded already existing infrastructure maintenance issues. Additionally, Army rotational forces abroad require training and support facilities to meet operational requirements as they adjust to the unpredictable global environment. In support of forces deployed abroad, operational headquarters should be able to command from home station facilities; however, most legacy facilities do not readily support the information technology and power requirements to conduct mission command. These facilities will require

renovation in order to provide our Soldiers the ability to operate effectively from home station in support of overseas operations.

Funding restrictions have significantly impacted the Army's ability to build, renovate, and modernize facilities needed to support operational requirements. Prior to BCA, the Army's projection for FY15 supported a MILCON program that included 80 projects. When we submitted our post-BCA budget for FY15, we could only support 28 MILCON projects. Despite the implementation of cost saving measures across the installation management enterprise, the cost of new requirements has more than offset efficiencies gained in operations, maintenance, and Base Operations Support.

CONCLUSION

The impacts of sequestration, the Budget Control Act, and the restriction on implementing another round of BRAC challenge the Army to meet day-to-day installation readiness platform support requirements. Reduced funding is negatively impacting the quality and readiness of our infrastructure and services. Our mitigation strategies, such as public and private partnerships, service consolidation, privatization, and footprint reduction initiatives produce efficiencies but are not sufficient to close gaps in installation funding requirements. The complex environment of rising installation business costs and a flat line funding source significantly affect the overall health of our facilities. The long term effects of meeting the demand of the moment reduces our ability to protect future readiness. Increases in deferred maintenance and reduced investments in installations and infrastructure degrade the Army's ability to be ready to project full spectrum forces. Critical infrastructure will fail at increasing rates, maneuver training areas and simulation centers will be outdated, and services for Soldiers and their Families may be cut.

The Army is challenged with achieving the proper balance between current and future demands. The cumulative effect of reduced and uncertain budgets stress the overall quality of our installations and the services we deliver. Ensuring installations continue to deliver readiness capabilities through this period of uncertainty is our number one priority.

Thank you for the opportunity to appear before you today and for your continued support for our Soldiers, Families, and Civilians.

LTG David D. Halverson

Assistant Chief of Staff for Installation Management

LTG David D. Halverson is the U.S. Army Assistant Chief of Staff for Installation Management. LTG Halverson assumed duties as the Assistant Chief of Staff for Installation Management on April 8, 2014.

His previous assignment was as the Assistant Chief of Staff for Installation Management and Commanding General of the U.S. Army Installation Management Command.

LTG Halverson graduated from the United States Military Academy and was commissioned a second lieutenant in the Field Artillery in June 1979. LTG Halverson's first duty assignment was in the 1st Cavalry Division, Fort Hood, Texas, in 1979 where he served as a Battalion Reconnaissance Officer, Battery Fire Direction and Executive Officer and Battalion Adjutant. Since then, LTG Halverson has served in various staff and leadership positions including command at every level from Battery to Post Command.

He attended the U.S. Naval Postgraduate School in Monterey, California, where he was awarded a Master of Science degree in Operations Research and Systems Analysis in 1989. He was then assigned as the Senior Military Analyst in the Joint Wargaming Division of the U.S. Southern Command in Panama. He provided essential planning for military operations and Army budget development in positions such as the Commander in Chief Team Chief in the Office of the Chief of Staff of the Army, Program, Analysis, and Evaluation Directorate. In June 2001, LTG Halverson became the Central Command J3, Chief of Plans, and planned, coordinated, and executed war plans for OPERATION ENDURING FREEDOM and OPERATION IRAQI FREEDOM. From 2004 until January 2005, he then served as the Deputy Commanding General (Support) for the 4th Infantry Division where he deployed for OIF 5/7. After his deployment in January 2007, he assumed duties as the Director of Operations, Readiness, and Mobilization until May 2008. He then served as Director of Force Development, G-8, until August 2009 when he became Commanding General of the U.S. Army Fires Center of Excellence and Fort Sill, Oklahoma, until May 2012. LTG Halverson served as the Deputy Commanding General, U.S. Army Training and Doctrine Command, Fort Eustis, Virginia, from May 2012 to April 2014.

LTG Halverson's military education includes the Field Artillery Basic and Advanced Courses, the Armed Forces Staff College, the Army War College, and the British Higher Command and Staff College.

LTG Halverson's awards and decorations include the Distinguished Service Medal with Oak Leaf Cluster, Defense Superior Service Medal with Oak Leaf Cluster, Legion of Merit with four Oak Leaf Clusters, Bronze Star Medal, Defense Meritorious Service Medal, Meritorious Service Medal with two Oak Leaf Clusters, Joint Service Commendation Medal, Army Commendation Medal, Army Achievement Medal with Oak Leaf Cluster, Armed Forces Expeditionary Medal, Humanitarian Service Medal, Joint Unit Medal, Korean Defense Service Medal, Global War on Terrorism Service Medal, Army Staff Badge, and the Parachutist Badge.

Major General ROBERT P. WHITE

Deputy Chief of Staff, G-3/5/7
United States Army Forces Command
4700 Knox Street
Fort Bragg, North Carolina 28310-5000
Since: September 2015

SOURCE OF COMMISSIONED SERVICE ROTC

EDUCATIONAL DEGREES
Claremont McKenna College – BA – History
Central Michigan University – MS – Administration
United States Army War College – MSS – Strategic Studies

MILITARY SCHOOLS ATTENDED
Armor Officer Basic and Advanced Courses
Field Artillery Officer Advanced Course
United States Army Command and General Staff College
Joint and Combined Warfighting School
United States Army War College

FOREIGN LANGUAGE(S) None recorded

PROMOTIONS	DATE OF APPOINTMENT
2LT	28 May 86
1LT	28 Nov 87
CPT	1 Oct 90
MAJ	1 Mar 97
LTC	1 Jun 01
COL	1 Feb 06
BG	2 Aug 12
MG	1 Oct 14

FROM	TO	ASSIGNMENT
Sep 15	Present	Deputy Chief of Staff, G-3/5/7, United States Army Forces Command, Fort Bragg, North Carolina
Aug 13	Jul 15	Director, Pakistan and Afghanistan Coordination Cell, J-5, Joint Staff, Washington, DC
Jun 12	Aug 13	Deputy Commanding General (Support), 3d Infantry Division (Mechanized), Fort Stewart, Georgia and Deputy Commander for Support, Regional Command South, International Security Assistance Force, North Atlantic Treaty Organization, OPERATION ENDURING FREEDOM, Afghanistan
Jun 11	Jun 12	Deputy Commander, United States Army Combined Arms Center, Fort Leavenworth, Kansas
Jul 09	Jun 11	Executive Officer to the Comanding General, United States Army Training and Doctrine Command, Fort Monroe, Virginia
Jun 07	Jul 09	Commander, 2d Brigade, 1st Armored Division, United States Army Europe and Seventh Army, Germany and OPERATION IRAQI FREEDOM, Iraq
Jul 06	May 07	Director of Training and Education, Peacekeeping and Stability Operations Institute, United

Aug 05	Jun 06	Student, United States Army War College, Carlisle Barracks, Pennsylvania
May 02	May 05	Commander, 2d Battalion, 37th Armor, later Assistant Chief of Staff, G-3, 1st Armored Division, United States Army Europe and Seventh Army, Germany and OPERATION IRAQI FREEDOM, Iraq
Jul 00	May 02	Current Operations Officer, Force Provider Branch, J-3, United States Joint Forces Command, Norfolk, Virginia
Jun 98	Apr 00	S-3 (Operations), later Executive Officer, 2d Battalion, 70th Armor, 1st Armored Division, Fort Riley, Kansas
Aug 97	Jun 98	Student, United States Army Command and General Staff College, Fort Leavenworth, Kansas
Aug 95	Mar 97	Board Recorder, Department of the Army Secretariat, United States Total Army Personnel Command, Alexandria, Virginia
Aug 93	Aug 95	Commander, D Company, 1st Battalion, 4th Infantry (Separate), later Observer/Controller, Operations Group, Combat Maneuver Training Center, United States Army Europe and Seventh Army, Germany
Jul 92	Jul 93	Aide-de-Camp to the Commanding General, 1st Armored Division, United States Army Europe and Seventh Army, Germany
Jan 91	Jul 92	Commander, C Company, 2d Battalion, 32d Armor, 1st Armor Division, United States Army Europe and Seventh Army, Germany
Sep 90	Dec 90	Student, Field Artillery Advanced Course, United States Army Field Artillery School, Fort Sill, Oklahoma
Apr 90	Sep 90	Student, Armor Officer Advanced Course, United States Army Armor School, Fort Knox, Kentucky
Jul 88	Mar 90	Scout Platoon Leader, later Executive Officer, D Company, 1st Battalion, 33d Armor, Fort Lewis, Washington
Nov 86	Jul 88	Platoon Leader, D Company, 2d Battalion, 77th Armor, Fort Lewis, Washington

SUMMARY OF JOINT ASSIGNMENTS	DATE	GRADE
Director, Pakistan and Afghanistan Coordination Cell, J-5, Joint Staff, Washington, DC	Aug 13 - Jul 15	Brigadier General
Deputy Commander for Support, Regional Command South, International Security Assistance Force, North Atlantic Treaty Organization, OPERATION ENDURING FREEDOM, Afghanistan	Aug 12 - Aug 13	Brigadier General
Current Operations Officer, Force Provider Branch, J-3, United States Joint Forces Command, Norfolk, Virginia	Jul 00 - May 02	Major/Lieutenant Colonel

SUMMARY OF OPERATIONAL ASSIGNMENTS	DATE	GRADE
Deputy Commander for Support, Regional Command South, International Security Assistance Force, North Atlantic Treaty Organization, OPERATION ENDURING FREEDOM, Afghanistan	Aug 12 - Aug 13	Brigadier General
Commander, 2d Brigade, 1st Armored Division, V Corps, United States Army Europe and Seventh Army, OPERATION IRAQI FREEDOM, Iraq	Apr 08 - May 09	Colonel
Commander, 2d Battalion, 37th Armor, 1st Brigade, later Assistant Chief of Staff, G3, 1st Armored Division, United States Army Europe and Seventh Army, OPERATION IRAQI FREEDOM, Iraq	May 03 - Jul 04	Lieutenant Colonel

US DECORATIONS AND BADGES

Legion of Merit (with 3 Oak Leaf Clusters)
Bronze Star Medal for Valor
Bronze Star Medal (with 3 Oak Leaf Clusters)
Defense Meritorious Service Medal (with Oak Leaf Cluster)
Meritorious Service Medal (with 3 Oak Leaf Clusters)
Army Commendation Medal (with 2 Oak Leaf Clusters)
Army Achievement Medal (with 4 Oak Leaf Clusters)
Combat Action Badge
Parachutist Badge
Joint Chiefs of Staff Identification Badge

Colonel Andrew Cole, Jr.

Andrew Cole, Jr., entered Active Duty after completing the ROTC Program at Texas Tech University in 1991. His first assignment was in the Republic of Korea, serving with the 4th and 5th Battalions, 501st Aviation Regiment (ATK) as an OH-58 Scout Platoon Leader and Assistant S3. Following his return stateside to Fort Hood, Texas in 1993, COL Cole served with the 2nd Armored Division's Aviation Brigade as a Liaison Officer within the Brigade S3 and as a Battalion Adjutant with 2nd Battalion, 502nd Aviation Regiment. Upon completing the Aviation Officer's Advanced Course at Fort Rucker, AL in 1996, COL Cole was assigned to 1st Battalion, 228th Aviation Regiment in the Republic of Panama, where he served as the Battalion S4 Officer, and Aide-de-Camp to the Commanding General, United States Army South. Upon completing commands of Headquarters Company and Alpha Company, 1-228th Aviation Regiment in 1999, COL Cole was assigned to Headquarters, United States Army Japan where he served as the Deputy Inspector General.

Following completion of Command and General Staff College at Fort Leavenworth, KS in 2002, COL Cole assumed duties as the Brigade S4 Officer for the 12th Aviation Brigade and the Executive Officer for 5th Battalion, 158th Aviation Regiment, located at Giebelstadt, Germany. Upon returning from Operation Iraqi Freedom-1, COL Cole was assigned to Aviano Air Force Base, Italy where he assumed command of B Company, 5-158th Aviation Regiment until the unit's deactivation in 2006. COL Cole then served in Joint Assignments with NATO as the J5 Planner for the Balkans and later as Executive Officer and Military Assistant to the Deputy Chief of Staff for Operations, Allied Joint Forces Command – Naples. His next assignment was to Fort Riley, Kansas where COL Cole assumed Command of the 3rd Assault Helicopter Battalion (AHB), 1st Aviation Regiment, 1st Combat Aviation Brigade on 14 February 2009, and returned to Iraq for OIF 10-11 and Operation New Dawn as the USD-North Aviation Task Force Nightmare Commander. Following Command COL Cole proceeded to the US Army War College at Carlisle Barracks, PA and upon completion was assigned to the Mission Command Training Program (MCTP) at Fort Leavenworth, KS, as the Operations Group Alpha Deputy Chief. Currently, as of 18 July 2013, COL Cole is serving as the Garrison Commander at Fort Riley, KS.

COL Cole is a graduate of the Aviation Officers Basic and Advanced Courses, Air Assault, Airborne and Ranger Courses, the Inspector General's Course, the Command and General Staff College and the US Army War College. His awards and decorations include the Bronze Star Medal (1 OLC), Defense Meritorious Service Medal, Air Medal and the Army Commendation Medal.

COL Cole and his wife Charlotte enjoy music, travelling and spending time with family.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

STATEMENT OF

MAJOR GENERAL CHARLES L. HUDSON

COMMANDER, MARINE CORPS INSTALLATIONS COMMAND
AND
ASSISTANT DEPUTY COMMANDANT, FACILITIES
INSTALLATIONS AND LOGISTICS DEPARTMENT
UNITED STATES MARINES CORPS

AND

MAJOR GENERAL BRIAN D. BEAUDREAULT

COMMANDING GENERAL, 2ND MARINE DIVISION
UNITED STATES MARINE CORPS

AND

COLONEL CHRIS PAPPAS III

COMMANDER, MARINE CORPS AIR STATION CHERRY POINT
UNITED STATES MARINE CORPS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS

ON

DECEMBER 3, 2015

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

Major General Charles L. Hudson

Commander, Marine Corps Installations Command/Assistant Deputy Commandant, Installations & Logistics (Facilities)

Major General Hudson was commissioned in 1981 after graduation from The Citadel. He was subsequently assigned to the 2d Force Service Support Group where he served as a Platoon commander and Detachment Commander with 2d Landing Support Battalion and Marine Amphibious Unit Service Support Group 22.

In 1984, he reported to Headquarters, 12th Marine Corps District where he served as the Supply and Logistics Officer.

In 1988, he was assigned to the 1st Force Service Support Group and served as the Operations Officer and Executive Officer of Marine Expeditionary Unit Service Support Group 15 and as a Company Commander and Operations Officer for 1st Landing Support Battalion.

Assigned to the Marine Corps Combat Development Command from 1992-1996, he served as the Logistics Assessment Officer within the Warfighting Development Integration Division and as the Aide-de-Camp to the Commanding General.

From 1996 to 1998, he was assigned to I Marine Expeditionary Force where he served as the I MEF Maritime Prepositioning Force (MPF) Program Officer and the I MEF G-4 Operations Officer. From 1998 to 2000, he was assigned to 1st Force Service Support Group where he served as the Commanding Officer, Marine Expeditionary Unit Service Support Group 11 and the 1st Force Service Support Group G-3 Operations officer.

Following graduation from the Marine Corps War College, he served on the faculty of the Marine Corps Command and Staff College from 2001 to 2003.

From 2003 to 2006, he served as the 1st Marine Logistics Group Assistant Chief of Staff G-3, Chief of Staff, and Commanding Officer, Combat Logistics Regiment 15.

From 2006 to 2007, he served as the Chief of Staff, Logistics Directorate, U.S. Central Command.

As a general officer, he has served as Chief, Office of Military Cooperation and the United States Defense Representative – Kuwait; Commanding General, 1st Marine Logistics Group; Commanding General, 1st Marine Logistics Group (Forward), the Logistics Combat Element for I MEF (Forward)/NATO Regional Command (SW) in Helmand Province, Afghanistan; Commanding General, Marine Corps Logistics Command; Commanding General, Marine Corps Installations Pacific and Commander, Marine Corps Base Camp Butler, Okinawa, Japan.

He has participated in operations conducted in Grenada, Lebanon, the Arabian Gulf, East Timor, Iraq, and Afghanistan.

Major General Hudson is a graduate of the Marine Corps Amphibious Warfare School, Marine Corps Command and Staff College, and the Marine Corps War College. In addition to a Master of Military Studies and a Master of Strategic Studies, he holds a M.S. in Human Resource Management.

Major General Brian D. Beaudreault

Commanding General, 2nd Marine Division, Camp Lejeune, NC

Major General Beaudreault was commissioned in May 1983 upon graduation from the University of Massachusetts, Amherst and was designated as an infantry officer upon completion of training.

His operational assignments include: Platoon Commander and Company Executive Officer, 1st Bn, 3rd Marines, Kaneohe Bay, HI; Assistant Operations Officer, Logistics Officer, Maritime Special Purpose Force Commander and G Company Commander, Battalion Landing Team 2/9, 15th Marine Expeditionary Unit (SOC), Camp Pendleton, CA (Operation RESTORE HOPE, Somalia); Inspector-Instructor, 3rd Battalion, 23rd Marines, Memphis, TN; Operations Officer, 31st MEU (SOC), Okinawa, Japan (Operation Stabilise, East Timor); Regimental Executive Officer, 1st Marine Regiment, Camp Pendleton, CA; Commanding Officer, Battalion Landing Team 1/1, 13th MEU (SOC)/ Expeditionary Strike Group One (Operation Iraqi Freedom); Commanding Officer, 15th MEU(SOC), Camp Pendleton, CA (Operation Iraqi Freedom); Deputy Commander, Marine Forces Central Command/Commander MARCENT (Forward), Manama, Bahrain and commanded Task Force South in support of flood relief in Sindh Province, Pakistan.

His Supporting Establishment assignments include service as Guard Officer, Marine Corps Security Force Company, Naval Station Roosevelt Roads, Puerto Rico and Director, Expeditionary Warfare School, Quantico, VA

MajGen Beaudreault completed joint duty assignments as Ground Plans Officer (CCJ3-PP), Operations Directorate, US Central Command, MacDill AFB, FL; Deputy Director, Future Joint Force Development, Joint Staff (J7) and Deputy Director, Joint Training, Joint Staff (J7), Suffolk, VA.

His professional military education includes the following: The Basic School, Quantico, VA; Amphibious Warfare School, Quantico, VA; US Army Command and General Staff College, Fort Leavenworth, KS; Armed Forces Staff College, Norfolk, VA; Naval War College, Newport, RI (MA with Highest Distinction, National Security and Strategic Studies); Higher Command and Staff Course, UK Defence Academy, Shrivenham, UK; CAPSTONE, National Defense University; and COMANFOR, EMIA, Paris, France.

Colonel Chris Pappas III

Commanding Officer, Marine Corps Air Station Cherry Point, NC

Colonel Pappas graduated from Duke University receiving a Bachelor of Arts degree in Political Science and received his commission via the NROTC program in July of 1990. He completed The Basic School in March 1991 and was designated a Naval Flight Officer in April of 1993.

Following initial qualification in the FA-18D at MCAS El Toro, First Lieutenant Pappas reported to MAG-31 in MCAS Beaufort. Attached to VMFA(AW)-533, he completed two deployments to Aviano, Italy in support of OPERATION DENY FLIGHT, OPERATION DELIBERATE FORCE, and OPERATION DECISIVE ENDEAVOR. In June 1997, Capt Pappas reported to MCAS Cherry Point serving as the Aide-de-camp for the Commanding General of Second Marine Aircraft Wing before returning to VMFA(AW)-533 in May 1998 where he completed two deployments to MCAS Iwakuni, Japan and one deployment to Taszar, Hungary in support of OPERATION ALLIED FORCE and OPERATION NOBLE ANVIL. During this tour he attended the MAWTS-1 Weapons and Tactics Instructor course, USN Fighter Weapons School and was selected as the Marine Naval Flight Officer of the Year for 2000.

In August 2001, Major Pappas transferred to MCAS Yuma for duty as an FA-18 Instructor at MAWTS-1 where he deployed to Al Jabar, Kuwait in support of OPERATION IRAQI FREEDOM with 3rd Marine Aircraft Wing. He subsequently reported to the Naval War College, Newport, Rhode Island, graduating with Highest Distinction and receiving a Master of Arts degree in National Security and Strategic Studies.

In June 2005, he returned to MCAS Beaufort where he deployed to Al Asad, Iraq in support of OPERATION IRAQI FREEDOM with 2nd Marine Aircraft Wing. Upon return, Lieutenant Colonel Pappas served as Executive Officer of VMFA(AW)-332 and then Executive officer of Weapons and Field Training Battalion, MCRD Parris Island.

He served as Commanding Officer of VMFA(AW)-242, the Marine Corps only permanently forward deployed FA-18 squadron, from January 2009 until June 2010 in MCAS Iwakuni, Japan. Following command, he transferred to Ft McNair, Washington DC for study at the Industrial College of the Armed Forces where he graduated with a Master of Science degree in National Resource Strategy. Following graduation, he served on the Joint Staff with the directorate for Joint Force Development and served as Chief, Joint Lessons Learned Division where he assumed his current rank.

Colonel Pappas' personal achievements and decorations include the Defense Superior Service Medal, Meritorious Service Medal, Air Medal Strike/Flight Award with bronze numeral five, Navy and Marine Corps Commendation Medal with combat V and three gold stars, the Navy and Marine Corps Achievement Medal, over 2200 Hornet hours and the designation as a Weapons and Tactics Instructor.

Introduction

Chairman Wittman, Ranking Member Bordallo, and distinguished Members of the Committee, I appreciate the opportunity to discuss the Marine Corps' facilities infrastructure and support services programs which are critical to our ability to train forces and be ready. Thanks to the strong support we have received from the Congress, the Marine Corps has been able to make significant improvements in the quality and condition of facilities on our bases and stations.

The Marine Corps looks at readiness through the lens of our 5 pillars of readiness – high quality people, unit readiness, capacity to meet the combatant commanders' requirements, infrastructure sustainment, and equipment modernization. These pillars represent the operational and foundational components of readiness across the Marine Corps.

Marine Corps bases and stations represent an irreplaceable national asset today and as far into the future as we can project. They are fundamental to combat readiness, particularly the pre-deployment training, launching, sustaining, and reconstituting of Marine operating forces. Additionally, our bases and stations are and will continue to be integral to the quality of life of Marines, Sailors, and their families through the provision of an array of support facilities and related infrastructure.

The operations and maintenance of these installations as well as their future development and use require comprehensive planning, wise investment, and sound execution. Numerous Marine Corps-wide efforts are underway, such as implementation of the Marine Corps Facilities Investment Campaign Plan, to ensure Marine Corps installations are ready, responsive, and capable of meeting current and future support requirements of the Marine Corps force.

The Marine Corps has infrastructure and facilities worldwide valued at more than $58 billion that are used to train, house, and provide quality of life for Marines, Sailors and their families. These facilities must be appropriately maintained to prevent degradation of our capability to support these mission-essential tasks. Adequately protecting our installations and

sustaining facilities and equipment are top installations management priorities for the Marine Corps.

Impacts of the Budget Control Act

As General Dunford stated earlier this year as Commandant of the Marine Corps, the Marine Corps' ability to remain the Nation's force in readiness will be tested if the Budget Control Act budgetary caps are sustained in the out-years. The recently enacted Bipartisan Budget Act of 2015 provided funding relief in the near term to help maintain this readiness. The fiscal challenges we face today will be exacerbated and significant challenges will be forced on all the Services if the Budget Control Act caps remain. In order to maintain the Marine Corps' near-term readiness, such as funding minimally adequate levels for facilities services and base operations, we have planned risk in long-term warfighting modernization and facilities sustainment as a result of the Budget Control Act caps.

Though the Marine Corps has made significant progress over the last 8 years in replacing old and unsatisfactory infrastructure, our fiscal planning based on the Budget Control Act caps will have long term impacts on our future operating budget, force posture, and the overall health, welfare and safety of our Marines. Long term constraints of facilities sustainment requirements will result in the gradual degradation of our infrastructure and create a bow wave of increased long-term costs to return these assets to current conditions.

Without adequate funding, the military construction and restoration and modernization accounts will be unable to provide adequate infrastructure to support training, housing, quality of life, operations, communications, logistics, and maintenance facilities critical to the Marine Corps mission. Facilities restoration and modernization is currently funded to meet the most urgent life, safety, and health issues. Demolition of facilities no longer required would be deferred due to higher funding priorities. Reduced funding availability will also adversely impact the frequency and quality of training, whether that training is associated with live-fire, maneuver, simulation, or classroom.

Base Operations

The Marine Corps currently funds base operations to the minimum acceptable levels necessary to continue operations throughout the fiscal year. At the minimum acceptable level, only mission-essential services are provided and minimum legal and safety requirements are met. Mission-essential services refer to aviation operations support, fire protection and emergency services, transportation, messing, environmental, health and safety and other administrative, supply, and financial support and service functions. These functions, as a whole, ensure that the Marine Corps' bases and stations remain ready and able platforms for operating forces training and deployment. Under Budget Control Act funding levels, the Marine Corps bases and stations will be forced to curtail base operations functions during periods of the fiscal year or eliminate lower priority functions that least affect the training and operations of our deploying forces. These actions may result in immediate and noticeable reductions in service hours, customer support, and access to training areas and facilities that support routine operations of the Marine Corps and quality of life programs for Marines and their families.

Facilities Sustainment

Constraints on facilities sustainment funding increases the rate of degradation of Marine Corps infrastructure. This leads to more costly repairs, restoration, and new construction in the future. Once these facilities degrade, the long-term cost to return these facilities to an acceptable condition increases. The current five-year sustainment budget submitted to Congress meets 74% of the facilities sustainment requirement, as opposed to the OSD goal of 90%. Full implementation of the out-year Budget Control Act limits could require further reductions to facilities sustainment, which would accelerate the degradation of our facilities, creating $1 billion in additional restoration requirements to bring our facilities back to their current condition. With the majority of our facilities directly tied to readiness (runways, operations, maintenance, communications, training, and utilities) or quality of life (barracks, mess halls, and fitness centers), this would have adverse impacts on both warfighter readiness and quality of life for Marines and Sailors. Examples of the effects of underfunding sustainment are as follows:

- Increased unresolved HVAC problems which can cause mold or inefficient operations.

- Delaying roof repairs which can lead to roof leaks that can deteriorate the building structure and interior.
- Delaying repairs to operational facilities, such as runways or training ranges, can impact mission readiness, safety and may cause damage to other assets (e.g., foreign object debris on runways can damage aircraft).
- Deferral of routine maintenance and repair service calls. Delaying maintenance could result in additional damage or degradation of other building assets.

Military Construction

The need for military construction is driven by the needs of the operational force and Marine Corps-wide mission requirements such as (1) introducing new platforms or weapons, (2) relocating forces to better position assets to meet the national strategy, (3) meeting a force protection or safety standard, (4) enhancing or replacing facilities that are in poor condition, (5) meeting new and improved training standards for the 21st century Marine Corps, (6) modernizing critical infrastructure, (7) improving utilities reliability and resilience to support readiness, (8) meeting environmental regulations and laws and energy reduction goals, (9) improving training areas to include aerial/ground ranges, and (10) acquiring additional land as necessary for operational forces training.

Congress has been very supportive of prior military construction budget requests. Thanks to the Congress, the Marine Corps has received funding for many projects that positively impact readiness and training. A few recent examples include funding of the expansion of training areas at Twentynine Palms, California, expansion of the aerial bombing range Townsend, Georgia, numerous training ground and aviation simulator support facilities, the Marine Forces Cyber Command operations facility at Fort Meade, Maryland, and significant improvements at Marine Corps University at Quantico, Virginia.

The current 5-year budget supports elimination of some requirement gaps with respect to fielding new aviation platforms, data center consolidation, training needs, security, safety, environmental compliance, force relocations, and replacement of poor and failing facilities. However, as a result of using limited resources to prioritize near-term readiness, many other

projects have had to be deferred as a result of the out-year Budget Control Act limits. Examples of the types of projects that have to be deferred as a result of the Budget Control Act include:

- Projects to replace existing poor and failing facilities (i.e., "recapitalization") that directly support operational forces and mission readiness. Impacted assets would include those that support training, operations, maintenance, and quality of life and result in continued use of substandard facilities negatively impacting mission effectiveness and efficiency.
- Training-related projects resulting in a lack of appropriate facilities to fully support the training of Marines.
- First-responder facility replacements resulting in the continued utilization of undersized and improperly located buildings, impacting life safety and mission efficiency.
- Entry control point/gates configuration improvements to meet the most current force protection standards.
- Communication facilities to achieve consolidation of data centers and associated efficiencies.
- Maintenance depot projects, including support equipment, that would positively impact the efficiency and effectiveness of depot operations to process the repair of vehicles and equipment to sustain and reset the operating forces.

Training

The Marine Corps schedules over 1,780 training ranges, maneuver areas, and blocks of training airspace. This invaluable training infrastructure is not a static inventory but a reconfigurable, dynamic set of assets that supports the training of Marines across the spectrum of mission areas and at every level of training from the individual Marine to the most complex Marine Air Ground Task Force. Our major installations at Camp Pendleton, California and Camp Lejeune, North Carolina schedule more than 250 separate training events every day and our other installations are comparably busy to serve the demands of their training units. Constructing, sustaining, and operating this training infrastructure in a manner that is responsive to the changing training needs of our force requires predictable, well-coordinated resourcing across a number of funded programs.

Military Construction and Facilities Sustainment is critical for the physical infrastructure but they must also be integrated with the Training Support dollars that acquire and sustain training systems such as targets, threat arrays, and range instrumentation systems that turn the basic facility into a training environment. Base operations funds are also required, to provide that "last mile" investment of resources that make a program or capability truly come to life. Finally, environmental compliance and encroachment mitigation programs are critical in both meeting our statutory requirements and protecting our access to these crucial training capabilities.

Even in a robust and predictable funding environment, it can be challenging to plan and coordinate this suite of programs in a way that can meet the rapidly changing training priorities of our deploying units. With the out-year funding constraints imposed by the Budget Control Act and the uncertainty of sequestration, we have had to make some difficult decisions to defer modernizing some of our training facilities to ensure that we could sustain the capabilities we had already fielded. Training, of course, is always our priority and, despite the uncertainties, we will continue to look for ways to ensure our forces have access to the training capabilities they require.

Conclusion

Our infrastructure programs are an important part of maintaining our high state of readiness as the Nation's crisis response force. As funding becomes more constrained in the future, the Marine Corps will continue to rely on the sound stewardship of facilities and infrastructure to support our needs. Reduced funding of infrastructure programs as a result of the Budget Control Act caps will significantly stretch our bases and stations to meet warfighter needs.

The Marine Corps is also sensitive to the impacts that lower funding levels will have on our Marines, Sailors, and civilians. Beyond the specific and tangible challenges described above is the human cost. The Budget Control Act has created great uncertainty in the force, even with the passage of two Bipartisan Budget Acts. It is important that our people know they will have the resources to get the job done. It is also important that they know they will have the training,

equipment, support, family services, medical care, and quality of life they need and deserve. The impacts in all these areas will chip away at their confidence. Our service-members should be singularly focused on accomplishing their mission. Neither they, nor their families, should ever have to face doubts of whether they will be deployed in harm's way without the best training and equipment our Nation can afford. The foundation of the all-volunteer force is trust – sequestration will erode the trust that our young men and women in uniform, civil servants, and families have in their leadership. The cost of losing that trust is incalculable.

Thank you for the opportunity to testify before you today. I look forward to working with you to sustain the warfighting capability and quality of life of the Marine Corps.

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

DECEMBER 3, 2015

RESPONSE TO QUESTIONS SUBMITTED BY MRS. HARTZLER

General HALVERSON. Many sheltering and notification improvements occurred at Fort Riley since the November 2005 tornado. These include the installation of 2,289 storm shelters in on-post housing. Corvias, our privatized housing partner, constructs storm rated shelters in all new housing units and retrofits units being renovated. Currently, 76.7% of all housing units have shelters (or basements). We relocated exterior concrete storm shelters from demolished relocatable buildings sites to twenty-one selected higher-use Range/Training Area facilities and Fort Riley access control points. There are now interior storm rated shelters in all Child Development Centers and hardened gyms in the new Fort Riley Middle School and two new Elementary Schools. Our Soldier Readiness Processing Center is a historic facility with hardened restrooms for shelter. Seven 24/7 community shelter facilities with signage direct pedestrians and motorists to these facilities if needed.

Fort Riley improved the ability to notify Soldiers, Families, Civilians, and visitors with the installation of two additional tornado sirens addressing the outdoor recreational coverage gaps. This provides a total of nineteen tornado sirens. We also installed thirty-one additional Giant Voice towers for a total of forty-eight which provide robust coverage to the entire cantonment and housing area footprint. Upgrades to our network-based desktop alert system (AtHoc Connect) increased our coverage from 3,400 to 22,670 accounts. We added text message alert, e-mail and telephonic notification capabilities with over 7,350 subscribers. Finally, Fort Riley informs new Soldiers and Family members on how to plan for and deal with emergencies with a robust tornado/severe weather awareness campaign in coordination with Public Affairs Office, local media and the National Weather Service. [See page 10.]

RESPONSE TO QUESTION SUBMITTED BY MR. O'ROURKE

General HALVERSON. Over the past several years, the Army's Total Obligation Authority, was insufficient to allow the Army to fully fund its training strategy to achieve desired Decisive Action proficiency and strategic depth. Overall, the Army only funded approximately 85% of the total requirement. Interestingly, the leading indicator of an underfunded training strategy is not an initial drop in training readiness, but rather it first manifests itself in terms of diminished equipment readiness. Commanders continue to apply their limited resources to executing key training events while conserving funding by deferring maintenance on equipment. FORSCOM is clearly seeing this with over $300M in deferred maintenance and repair parts orders.

Should the Army be able to recoup the approximately $500M currently spent on excess infrastructure capacity and reapply all of it to readiness, it could, as an example, help eliminate the existing gap between current funding levels and our Training Strategy. This would allow Commanders to plan and execute training without deferring maintenance on their equipment to generate funds for future training events. Further, the $500M could, as an example, help the Army to address Reserve Component pay and allowance shortfalls that impede their ability to achieve the training readiness we desire in those Components. [See page 13.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. SCOTT

General HALVERSON. The Army does not have empirical data to assess the impact of the Davis-Bacon Act on military construction. There is speculation that the absence of the Act could lead to cost savings through lower wage and benefit payments and administrative costs. One of many unknowns is whether, in the absence of Davis-Bacon Act requirements, the Government would see lower-cost, equally-qualified tradesmen, or less-qualified tradesmen, being hired for projects due to wages lower than the prevailing rate.

In 2010, the GAO examined the effect of applying the Davis-Bacon Act to a number of American Recovery and Reinvestment Act (ARRA) funded Federal programs,

including some not previously subject to the Davis-Bacon Act. The findings of the study vary. For example, the study suggested that Davis-Bacon requirements impact wages and administrative costs for small construction projects in rural areas more than major construction projects in large metropolitan areas. [See page 15.]

General HALVERSON. Enhanced-use lease is a term that commonly refers to long-term leasing of government land for private sector development and use. The military departments' authority to lease real and personal property is codified at Section 2667 of Title 10 United States Code. Leasing is one of many useful tools for managing the Army real property portfolio. If there is no current or anticipated military requirement for a certain property, it is processed for disposal as excess property rather than leased. However, when property is not excess but is not needed for a period of time, leasing can be an efficient and economic means of managing that real property asset. It can provide valuable revenue, defray Army costs to maintain the property, and can enable private sector uses of the property that complement Army missions. Revenue from leasing is generally available for construction and maintenance of Army facilities and similar expenses. However, leasing property is not appropriate or prudent in every case. In some cases, especially with property of relatively low market value, costs associated with planning and implementing a lease may not be recovered. Sometimes private sector uses of leased property might be incompatible with adjacent Army activities, or could preclude potential government use of the subject property. The Army takes these and other factors into consideration when deciding whether leasing is a prudent course of action in any given case. [See page 15.]

Colonel COLE. Fort Riley installed skylights in building 8100, our Logistics Readiness Center's Maintenance Facility. Safety issues on cloudy days mandated that mechanically-controlled lights remain. Fort Riley installed photo cells in addition to motion sensors to control the mechanical lights. When the skylights provide adequate lighting, the mechanical lights are off. [See page 14.]

RESPONSE TO QUESTION SUBMITTED BY MS. DUCKWORTH

General HALVERSON. The Army is focused on addressing cybersecurity for industrial control systems related to real property. Processes are in place to properly authorize systems to operate on the Army network. We are developing a new holistic program to assess and identify the threats to ensure appropriate protective measures are in place for systems.

As the program develops, we expect to see some increases in operating costs to maintain the assessment and authorization process for these systems. The costs associated with this program are undetermined at this time. [See page 21.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

DECEMBER 3, 2015

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. What specific examples can you provide of facility conditions affecting the readiness of installations to carry out their assigned missions? To what extent have any reported issues been addressed? How quickly were any issues able to be addressed?

General HALVERSON. Current budget caps forced the Army to focus its scarce resources on training and modernization, and assume more risk at its installations. The result is a limited pool of available funds to execute critical construction and restoration and modernization projects.

An example of facility conditions affecting the readiness of installations is modernizing delays to Fort Hood's Tactical Equipment Maintenance Facilities. Fort Hood's motor pools were "state of the art" in the mid-1980s. Currently, the day-to-day impact on readiness is visible as Soldiers perform maintenance outdoors that should be performed inside a building because the facility doors are not wide enough to accommodate the Stryker. Further, the overhead lifts are not sufficient to safely handle the heavy powertrain components.

A second example of inadequate Restoration and Modernization funding is the deteriorating condition of the Libby Army Airfield and related taxiways at Fort Huachuca, Arizona. Repair and replacement costs are projected at $20 million. Reduced manpower for airfield operations negatively impacts TRADOC Unmanned Aerial Systems (Grey Eagle) Training, wildland fire support operations, Military Intelligence Battalion Special Electronics Mission Aircraft training, and other supported aviation missions. Other agencies that use the Libby Army Airfield include the U.S. Forestry Service, Department of Homeland Security Customs & Border Protection, and U.S. Air Force.

Readiness-related facility condition issues are addressed immediately at the local level when resources are available. If resources are not readily available, the requirements are addressed through the respective reporting, planning and programming venues. Critical funding issues, validated by HQDA, were generally resolved within 60–90 days.

Mr. WITTMAN. To what extent do the reported readiness levels of installations take into consideration the condition of their facilities? Are there other metrics or data points used to assess the effect of facility condition on readiness? How have the services attempted to quantify the risks they are taking by perennially reducing their investments in base support services and infrastructure, if at all?

General HALVERSON. Facility condition is a principal factor for installation readiness. The Army uses its Installation Status Report—Infrastructure, or ISR–I program, to provide a comprehensive statement of a reporting location's facilities and infrastructure status. It does this by determining the quality of facilities compared to existing Army standards in nine Facility Classes. The Quality, or Q-Rating, indicates the physical condition of assets. The Army Q-ratings are compatible with and correspond to prescribed DOD criteria.

ISR–I also uses Mission Support Functional Capability Ratings, or F-Ratings. The F-Rating indicates whether the existing configuration of an asset impairs the tenants' capability to support their missions.

Both data points are required to be reported to the Office of the Secretary of Defense on an annual basis as part of the Army's Real Property Inventory submission. For example, facilities with an F2 rating are those facilities that meet the minimum functional use, but are not the optimal design or size. Such facilities are still mission capable, but could be modernized to operate more effectively and efficiently. This includes operations and training, maintenance and mobility infrastructure. For example, a well maintained building with the wrong layout or configuration to support the mission could have a Q1 quality rating but a F3 or F4 functional rating.

The Army generates these ratings for installations across all components of the Army. The ISR–I results are used in a number of readiness reporting platforms such as the Defense Readiness Reporting System—Army, the Army Strategic Readiness Assessment, and the Strategic Readiness Update, to provide Senior Army Leadership with actionable data as it relates to facility condition and readiness. Risk considerations are integrated in the base support services and infrastructure support

assessment and ratings process. Risks are quantified through applied performance, facility, and mission support metrics.

Mr. WITTMAN. What steps, if any, are installations taking to reduce the risk that facility conditions will negatively affect their readiness to carry out assigned missions? For example, are installations dedicating more sustainment and recapitalization funding to higher priority facilities and reducing or delaying funding for lower priority facilities? How do the installations determine which facilities are higher priority for purposes of funding needed sustainment? How effective have any risk-reduction actions been? What long-term effects, if any, are expected as a result of these actions?

General HALVERSON. Commanders must balance infrastructure readiness against risk. Installations prioritize sustainment, restoration and modernization requirements locally based on not only current facility conditions, but also on impacts to readiness and training. For example, many installations take risk on horizontal infrastructure, such as roads and utility systems, to preserve capabilities that have a more direct impact on their operations. Specific types of facilities vary from installation to installation based on their primary mission. For example, hangers and airfield pavements are a priority at Fort Rucker Alabama as the Army's Aviation Center of Excellence, while classrooms and training ranges are critical at installations that conduct Basic Combat Training.

Determining which facilities receive a higher priority for sustainment funding involves a collaborative, informed approach. The installation's Garrison and Senior Commanders work together to determine local sustainment priorities. The Garrison prioritizes routine sustainment based on established preventative maintenance tasks necessary to preserve the full life expectancy of facilities. The Garrison prioritizes larger sustainment projects based on the facility condition of enduring infrastructure, inspected failing components, and mission impact.

Our risk-reduction measures are or were partially successful in mitigating impacts to mission by focusing on critical Army requirements. However, reduced Sustainment, Restoration and Modernization funding causes long-term impacts. Generally, long-term impacts of these actions are increased "penalty costs," including increased restoration costs due to degradation, or increased MILCON requirements which occur when cost-benefits no longer support restoring or modernizing a facility.

Mr. WITTMAN. What progress has the Army made in implementing the 2013 and 2014 OSD policy memorandums regarding the standardization of facility condition assessments and use of the Facility Sustainment Model? Do you expect to meet the timelines laid out in those memorandums? Have your efforts to implement to date affected fiscal year 2016 and/or future budgets?

General HALVERSON. Currently, the Army uses facility condition assessments aligned with the OSD policy. The Army fully incorporated and actively uses the Facility Sustainment Model in its sustainment requirements programming. The Army manages 90% of its railroads with the RAILER Sustainment Management System (SMS) and 60% of its pavement inventory are in the PAVER SMS. The Army will fully implement and reconcile the RAILER and PAVER SMS data with the real property database by the OSD deadline. The Army is preparing the BUILDER SMS evaluations for integration with its existing Installation Status Report (the current Facility Condition Index generation system for the Army), the General Fund Enterprise Business System, and the Logistics Management System. We anticipate completion of the BUILDER SMS implementation by fiscal year 2021. OSD policy implementation did not change Army fiscal year 2016 or future year budgets.

Mr. WITTMAN. What are the services' plans to mitigate the impact of reduced OCO funding on base operating support and facilities sustainment, modernization, and restoration?

General HALVERSON. The Army requires no mitigation plan for CONUS installations because no OCO funding is applied to base operating support of facility SRM stateside. However, the Army relies on OCO funding for base operating support and facilities SRM for specific initiatives in Europe and CENTCOM. The Army will need to prioritize funding for the most critical initiatives, scope facility requirements to minimum standards to support mission, and leverage host nation capabilities to mitigate reduced OCO funds.

Mr. WITTMAN. Given consecutive years of funding below the 100% of BOS requirements, how is BOS funding prioritized in terms of which activities and services will be supported at a given installation? How have those decisions to reduce services or support impacted military readiness and operation or training requirements?

General HALVERSON. BOS funding distribution is prioritized based on life, health, and safety as well as statutory and fiscal obligatory requirements such as: salaries, utilities, leases, fire and emergency services, environmental compliance, and essen-

tial Family programs. As the result of consecutive years of funding below 100% of requirements, the Army has taken risk in areas of facility operations in engineering and municipal services, and the environment. These funding reductions create challenges across our installations as the Army seeks to provide a sustainable base for training and quality of life for our Soldiers, Families, and Civilians.

Mr. WITTMAN. To what extent has BOS funding been used for other department priorities or taken away from other department priorities in recent years? How has this affected the services' ability to provide installation support?

General HALVERSON. The Army took risk in BOS to support training readiness. Taking risk in installation funding affects readiness and negatively impacts the ability to proactively manage the installation to ensure adequately sustained facilities and efficient predictable service delivery. Soldier training and power projection are dependent on installation facilities and support. Continued risk in installation readiness erodes the ability to maintain this vital balance.

Mr. WITTMAN. Have reductions in civilian- or contract-provided services for utility system operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and motor pool transportation operations impacted availability of facilities that support operations and training?

General HALVERSON. Yes, reductions in civilian/contract provided services have affected the availability of key facilities because many of those services ensured the continued access to both facilities and infrastructure. Reduced civilian/contract services create unpredictable support and increase response time to address basic garrison operating functions. Soldier Readiness relies on predictable training, which requires assured access to not only operations and training facilities, but to all the underlying infrastructure and utilities on an installation. The reductions in civilian/contract services also include municipal services, feeding our Soldiers in dining facilities, providing readiness enabling logistical services, and operating physical fitness centers. The reduced civilian/contract services erode the capability of an installation to provide training support, adequate facility sustainment or react quickly to an infrastructure failure which interrupts the carefully planned training requirements for our units. Current funding requires installations to scale back or cancel service contracts and even delay much needed information technology infrastructure upgrades.

Mr. WITTMAN. What impact has the substantial reduction in MILCON spending had on the ability of installations to support readiness and serve as power-projection platforms?

General HALVERSON. At current funding levels, the Army can address only its most urgent facility needs in support of Army readiness initiatives, range and training modernization and Combatant Commander Global Posture requirements. General infrastructure recapitalization is limited to only those failed facilities that most significantly impact unit readiness, unit operations and Soldier and Family quality of life.

Current funding levels are also constraining facility sustainment, causing accelerated facilities deterioration. Taking risk in Sustainment, Restoration and Modernization funding means facilities will cost more to fix later than to sustain now. Therefore, the status quo of historically low MILCON funding cannot be maintained indefinitely.

Mr. WITTMAN. What specific examples can you provide of facility conditions affecting the readiness of installations to carry out their assigned missions? To what extent have any reported issues been addressed? How quickly were any issues able to be addressed?

General HUDSON. One example of facility conditions affecting readiness of installations to carry out their assigned missions concerns outlying landing fields (OLFs).

Deteriorating conditions of OLF runways affect a multitude of a unit's training and readiness events (T&R). The use of existing runways by Fleet Replacement Squadrons (FRS) for new pilot generation and operational squadrons for pilot sustainment training becomes limited, forcing the need for additional leased tactical landing zones (TLZs) to accommodate training. Units conducting parachute drop zone (PDZ) training encounter additional administrative and logistical burdens by having to transport back to fixed wing capable runways to reload aircraft. Units conducting long range raid packages in support of advance airbase seizure exercises have artificially limiting parameters placed on the tactical employment of forces.

Of the eight OLF runways in the Marine Corps Installations East AOR, only one is in a good state of order, one is in fair condition, and six are in poor condition. In the last eight years, only one has gone through a restoration program. Under current funding projections, it could many years to repair all of the runways. Delay of

repairing leads to further deterioration of the airfield, increasing the ultimate costs of making the runways operational again.

Another example is the severe lack of operations and command and control spaces at Marine Corps Base Camp Pendleton. Staff directorates are not co-located and spread out in various facilities which adversely impacts operational support. Many facilities designated for operations and administrative uses are World War II wood framed structures or Quonset huts. These facilities lack proper heating and ventilation systems and are no longer meeting life, health, and safety codes. The average age of all administrative facilities at Camp Pendleton is 33 years with over one-third of these facilities over 50 years of age. Given current competing priorities, major repair or replacement of these facilities are not affordable.

Mr. WITTMAN. To what extent do the reported readiness levels of installations take into consideration the condition of their facilities? Are there other metrics or data points used to assess the effect of facility condition on readiness? How have the services attempted to quantify the risks they are taking by perennially reducing their investments in base support services and infrastructure, if at all?

General HUDSON. Readiness reporting for installation facilities falls under Mission Essential Task (MET)/Marine Corps Task (MCT) 4.9: Provide Base and Station Facilities and Related Infrastructure. Under this MET, installations report on providing, developing, and managing all real property necessary for the effective administration, management, employment, and training of military organizations. This includes engineering support; coordination of all real estate agreements; construction management; encroachment control; sustainment, restoration, and modernization of all Class I and II real property to include family and bachelor housing; and utility services.

Installations report on their ability to provide environmental services, housing (billeting, transient, and family housing), and utilities (water, electrical, natural gas/compressed gases, sewage and waste) to all supported commands. Additionally, designated installations report on their ability to provide safe haven and COOP during times of threat or recovery from destructive weather as well as progress towards compliance with CMC alternative energy goals.

Funding of FSRM below requirement leads to more costly repairs, restoration, and new construction in the future, creating increased long-term costs for the American public. Once these facilities degrade, there is an increased cost to return these facilities to an acceptable facilities condition to meet mission requirements. Continual underfunding will lead to a bow wave of requirements in the out-years just to bring our facilities back to their current condition ($1 billion).

Investments in MILCON will continue to primarily support new warfighting platforms, training for the 21st century Marine Corps, replace poor and failing facilities, and improving our security and safety posture. Reduced funding availability in MILCON will most likely result in reduced investments in projects that support the consolidation of functions or replacement of existing facilities, which would cause degradation in the long-term health of existing facilities. Not as many projects would be affordable in any given year delaying the positive impact that these projects would have on readiness.

Marine Corps currently funds base operations to the minimum acceptable levels necessary to continue operations throughout the fiscal year. At the minimum acceptable level, only mission-essential services are provided and minimum legal and safety requirements are met. At reduced funding levels, the Marine Corps bases and stations will be forced to curtail base operations functions during periods of the fiscal year or eliminate lower priority functions that least affect the training and operations of our deploying forces. These actions will result in immediate and noticeable reductions in service hours, customer support, and access to training areas and facilities that support routine operations of the Marine Corps and quality of life programs.

Mr. WITTMAN. What steps, if any, are installations taking to reduce the risk that facility conditions will negatively affect their readiness to carry out assigned missions? For example, are installations dedicating more sustainment and recapitalization funding to higher priority facilities and reducing or delaying funding for lower priority facilities? How do the installations determine which facilities are higher priority for purposes of funding needed sustainment? How effective have any risk-reduction actions been? What long-term effects, if any, are expected as a result of these actions?

General HUDSON. The Marine Corps has implemented a mission dependency index (MDI) that provides the relative value of the mission, tasks and functions performed by a facility. The Commandant has directed that we prioritize our future investments to ensure proper maintenance and repair are allocated to those facilities that have a direct mission impact—deemed as mission critical or mission significant.

Underfunding of facilities sustainment in the long-term increases the rate of degradation of Marine Corps infrastructure. This leads to more costly repairs, restoration, and new construction in the future—also known as the "cost of neglect." Once these facilities degrade, there is an increased cost to return these facilities to an acceptable facilities condition to meet mission requirements.

Continual underfunding will lead to a bow wave of requirements in the out-years just to bring our facilities back to its current condition.

We will take significant risk is certain categories of facilities such as administrative facilities, warehouses and some personnel support facilities in the short term. However, with over half of our facilities directly tied to readiness (runways, operations and training facilities, utilities) or quality of life (barracks), reduced funding over the long term will have an adverse impact on both warfighter readiness and quality of life for Marines and their families.

Mr. WITTMAN. What progress has the Marine Corps made in implementing the 2013 and 2014 OSD policy memorandums regarding the standardization of facility condition assessments and use of the Facility Sustainment Model? Do you expect to meet the timelines laid out in those memorandums? Have your efforts to implement to date affected fiscal year 2016 and/or future budgets?

General HUDSON. The Marine Corps has fully implemented the OSD policy memorandum regarding the standardization of facilities condition assessments.

The Marine Corps met or exceeded the OSD policy memorandum on Facilities Sustainment through FY2014.

The President's Budget in FY2015 was the first year the Marine Corps did not meet the OSD guidance on Facilities Sustainment (79%). We had to take risk in our facilities investment programs to support near term readiness for our Marines.

Mr. WITTMAN. What are the services' plans to mitigate the impact of reduced OCO funding on base operating support and facilities sustainment, modernization, and restoration?

General HUDSON. The Marine Corps receives very little OCO funding for BOS and FSRM. However, a reduction in OCO for the operating forces results in increased competition for limited resources in the base budget.

As the Marine Corps prioritizes near term readiness, there is further migration of funds from installations to the operating forces to cover higher priority shortfalls due to the lack of OCO funding. For instance, during OIF/OEF, OCO funds typically covered all costs associated with both the Personal Effects and Privately Owned Vehicle (POV) storage contracts. Although II Marine Expeditionary Force (II MEF) and Marine Special Operations Command (MARSOC) were the principal users, the installation commanders on the East Coast (home of the deploying forces) are responsible for paying the bill. During peak deployment years, both contracts accounted for almost $1M annually. OCO funds have not been available since Fiscal Year 2014 so both contracts have required a plus up in baseline funding. In accordance with the Joint Travel Regulation, both programs are entitlements and, therefore, fully funding the requirement is a "must-pay" bill.

Mr. WITTMAN. Given consecutive years of funding below the 100% of BOS requirements, how is BOS funding prioritized in terms of which activities and services will be supported at a given installation? How have those decisions to reduce services or support impacted military readiness and operation or training requirements?

General HUDSON. The Marine Corps prioritizes mission-essential services related to life, safety, and health at the bases and stations. Fire protection, emergency response and services, and occupational safety and health and programs fall into this category.

Secondary to this, the Marine Corps prioritizes mandatory and statutory programs, including environmental compliance.

Finally, the Marine Corps considers utilities and civilian labor as must pay bills for the continuance of operations and maintaining the morale of the workforce.

Mr. WITTMAN. To what extent has BOS funding been used for other department priorities or taken away from other department priorities in recent years? How has this affected the services' ability to provide installation support?

General HUDSON. Marine Corps bases and stations are currently funded at a high risk level in most areas of BOS, with funding limited to basic life, safety, health and statutory requirements.

Reductions in BOS to the high risk level have impacted civilian personnel, including reductions in our Law Enforcement Program, delayed replenishment and replacement of furniture and equipment for BEQs and office spaces, reduced Semper Fit, Community Support and Family Care programs, and increased risk enterprise network infrastructure operations.

As an example, for Marine Corps Installations East (primarily located in the Southeast portion of the United States), the most acute impact of funding cuts is

felt by the civilian workforce. At Camp Lejeune, before the massive construction build up to support the increased Marine Corps force structure, the base had a large deficit in bachelor housing, maintenance, warehouse, and administrative facilities. The large investment in military construction funding during this build-up addressed many of these requirements. However, the base staff is now in a position of supporting a larger facilities footprint with a smaller workforce. The workforce may be able to keep up with immediate tasks, but it is extremely challenged to perform the long-term tasks necessary to sustain and operate the additional and more complex infrastructure and preserve the capabilities and readiness of Marine Corps installations.

Mr. WITTMAN. Have reductions in civilian- or contract-provided services for utility system operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and motor pool transportation operations impacted availability of facilities that support operations and training?

General HUDSON. While there is limited direct impact on our facilities, there is greater impact on our Marines.

The requirements to execute these functions (facilities maintenance, utility system operations, installation equipment maintenance, custodial, refuse collection, etc.) continue despite the reduction in civilian and contract provided services. As a result, Marines are required to perform some of these "housekeeping" duties which takes them away from their mission of training and operations. Instead of conducting predeployment training for our forward deployed mission and MOS specific skill training, Marines are cutting the grass and maintaining the equipment and infrastructure. Shortfalls in security manning for our installations results in the Operating Force having to augment installation security.

Mr. WITTMAN. What impact has the substantial reduction in MILCON spending had on the ability of installations to support readiness and serve as power-projection platforms?

General HUDSON. Investments in MILCON will continue to primarily support new warfighting platforms, force relocations (Pivot to the Pacific, AVPLAN), training for the 21st century Marine Corps, replace poor and failing facilities, and improving our security and safety posture.

Reduced funding availability in MILCON will most likely result in reduced investments in projects that support the consolidation of functions or replacement of existing facilities, which would cause degradation of the long-term health of existing facilities

With lower budgets, not as many projects would be affordable in any given year, delaying the positive impact that these projects would have on readiness. Given our focus to support new warfighting platforms and Pivot to the Pacific, reduced funding will likely decrease our ability to support other required MILCON efforts such as:

- ATFP projects to meet standards and security programs
- Environmental compliance
- First Responder support
- Ground maintenance and depot operations
- Quality of Life
- Utilities and communications modernization

In addition to funding challenges associated with MILCON, the Marine Corps will also be challenged to support all training needs. Installations must continually evaluate emergent training requirements to support the operational forces. These requirements are developed from new weapon systems, ammunition, tactics, and techniques, and theater specific training requirements. While there is a necessity to continually provide innovative relevant training venues and systems to the operating force, constrained funding pits modernization efforts against sustainment and recapitalization efforts. This requires a tradeoff between preparing for the future while maintaining the baseline necessities to fulfill the training and readiness standards for the operating forces.

QUESTIONS SUBMITTED BY MR. O'ROURKE

Mr. O'ROURKE. Is there a way the Army can translate funding spent on excess infrastructure to readiness? For instance, if the Army were able to dispense with the 1% of its infrastructure (of which ~18% is estimated to be excess) how much readiness would that produce? What is the best measure?

General HALVERSON. The associated costs of sustaining and managing excess infrastructure impact readiness, however, the costs do not typically have a one-for-one

relationship. Reducing excess infrastructure improves the readiness of our installations and the ability of our installations to support mission requirements.

The money spent on sustaining excess infrastructure is an opportunity cost. Most of the excess infrastructure is in the form of underutilized (not empty) buildings. Eliminating 100% excess infrastructure capacity is unrealistic because some underutilized capacity is on high-military value installations. Utilizing this excess capacity may come through a BRAC to reallocate resources.

The Army's $500M estimate of excess capacity expenses is conservative. It only considers the costs of sustaining 160 to 190 million square feet of excess capacity. The cost of providing utilities, security, and running the installations upon which these buildings sit, is much more significant. Base Operations Support (BOS) costs do not change significantly when an installation loses 10 or 20 percent of its assigned personnel, because installation operational costs are relatively fixed.

Thus, closing a few lower military value installations through BRAC, and realigning the remaining missions into available excess capacity at the remaining, higher-military-value installations, is where the Army would produce the vast majority of BRAC savings.

Whether excess capacity is reduced at the margins (i.e., using current law), or reduced significantly through the BRAC, the Army would seek to free up a reoccurring source of savings to reinvest and increase our installations' capacity to support mission or training readiness.